PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 81

HOUSE OF COMMONS

OFFICIAL REPORT

SECOND SESSION OF THE FORTY-NINTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
THIRTY-FOURTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 1984-85

COMPRISING PERIOD
17 JUNE—28 JUNE 1985

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IN THE SECOND SESSION OF THE FORTY-NINTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

THIRTY-FOURTH YEAR OF THE REIGN OF HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 81**

FIFTEENTH VOLUME OF SESSION 1984-85

House of Commons

Monday 17 June 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

LEICESTERSHIRE BILL [*Lords*]

GREATER LONDON COUNCIL (MONEY) BILL

Considered; to be read the Third time.

Oral Answers to Questions

WALES

Housing Starts

1. **Mr. Coleman** asked the Secretary of State for Wales what is the figure for housing starts in the public sector in Wales for the first quarter of 1985.

The Parliamentary Under-Secretary of State for Wales (Mr. Wyn Roberts): Four hundred and twenty-three public sector starts were reported for the first quarter of 1985.

Mr. Coleman: Is the Minister aware that his reply will not bring much comfort or hope to the homeless and the ill-housed in Wales? Will he give figures for public sector housing starts in Brecon and Radnor? Will he also give the figures for that area and for Wales as a whole in the same quarter of 1979?

Mr. Roberts: I cannot give a precise answer about Brecon and Radnor, but if the hon. Gentleman tables a question I shall try to answer it. The majority of local authorities are spending the greater part of their money on renovating houses. That is one reason why they are not spending on new building.

Sir Raymond Gower: Is the Department encouraging authorities to make provision for the elderly and the disabled and for others with special needs?

Mr. Roberts: Local authorities are concentrating on building for people in special need, but their priority at present remains the renovation of existing stock, both public and private. Under this Government about £500 million has been spent on renovation. The number of homeless has not increased as some Opposition Members seem to suggest.

Mr. Roy Hughes: When will the Minister recognise that the only steps taken by the Government in this vital matter have been negative, such as imposing VAT on home improvements and reducing the amount that local authorities may spend out of receipts from the sale of council houses? How can the Minister be a party to such decisions when housing in Wales is deteriorating so badly, as the Welsh media have vividly illustrated in recent weeks?

Mr. Roberts: Although public sector starts are only 6 per cent. up on last year, I am glad to say that private sector starts are about 25 per cent. up on the same period last year. I am also glad to say that 1,631 starts were made in the relevant quarter.

Mr. Gwilym Jones: Will my hon. Friend welcome the statement, quoted recently in the *Western Mail* by Mr. Lewis of the House-Builders Federation in Wales, drawing attention to the significant upturn in house building starts and to the fact that 3,000 extra jobs could result from it?

Mr. Roberts: My hon. Friend is quite right. The private sector is taking the lead in meeting the demand for new housing, and there is considerable demand. We particularly need housing for executives if we are to attract industry to Wales, but there is also considerable activity by the housing associations, which are responsible for more than half the public sector starts to which I have referred.

Mr. D. E. Thomas: The Minister, with his usual brilliance, has anticipated my question. Will he itemise the number of housing association starts? How does that figure compare with what the housing associations have told him they could do?

Mr. Roberts: The total number of completions by the Housing Corporation and housing associations under this Government is about 10,000. Housing starts in the first quarter were about 200 by local authorities and 200-odd by housing associations.

Land Authority for Wales

2. **Sir Anthony Meyer** asked the Secretary of State for Wales if he will review the functions of the Land Authority for Wales.

The Minister of State, Welsh Office (Mr. John Stradling Thomas): A review of the functions of the Land Authority for Wales is scheduled to start in September 1986 as part of my Department's regular programme for the review of non-departmental public bodies.

Sir Anthony Meyer: During this review will my hon. Friend look carefully at the Land Authority's functions in relation to developments which are disputable and may be in conflict with the county structure plan? Does he accept that the real job of the Land Authority for Wales is to enable complex developments, such as urban centres in Cardiff and north Wales, to go ahead, and that it has no business helping to despoil the countryside?

Mr. Stradling Thomas: The review will cover all aspects of the authority's operations, but at this stage I see no objection in principle to its involvement in green field sites.

Colliery Closures

3. **Mr. Ray Powell** asked the Secretary of State for Wales when he last met the chairman of the National Coal Board to discuss colliery closures.

The Secretary of State for Wales (Mr. Nicholas Edwards): I met the chairman on 9 May and discussed a range of matters relating to the coal industry in Wales.

Mr. Powell: That answer is typical of the Secretary of State's lethargic attitude. Is he not aware that, in all probability because of such an attitude, the Labour party is forging ahead in the Brecon and Radnor by-election and that it now has an 8 per cent. lead? Is he also aware that since the Government were elected in 1979, in my constituency alone there has been the closure of the Caerau and Coegnant collieries as well as the Wyndham/Western colliery last January? The St. John's colliery in Maesteg is now threatened with closure as a result of the right hon. Gentleman's attitude and the fact that he condones the attitude of the chairman of the NCB. What is the right hon. Gentleman really doing to try to save jobs in Wales? That is what Labour Members want to know.

Mr. Edwards: Before the coal strike began, which the hon. Gentleman encouraged throughout, deep mine losses in south Wales were around £95 million a year. It looks as though last year's losses have almost doubled to £160 million. Therefore, miners have thrown away the equivalent cost of the new Margam mine. It is hardly surprising that the amount of investment one that would like to see in the coal industry is less than it could be because of that strike encouraged by the hon. Gentleman.

Mr. Terlezki: Does my right hon. Friend agree that had Scargill's political strike not taken place, some of the Welsh collieries would not have been closed and the coal industry would have been financially better off? However, because of that 12-month political strike, some of those collieries must now close and production has been disrupted. People have been turned against people, neighbours against neighbours and families against families simply because of this political strike.

Mr. Edwards: I have already pointed out that the strike added greatly to the area coal board's losses and directly resulted in a number of faces being lost, which will not be re-opened.

Mr. Foot: Did the right hon. Gentleman see the headline in *The Times* on Saturday stating:

"Miners face £10 million benefit loss"?

How much of that figure relates to Welsh miners, and will he discuss this matter with the NCB chairman? Is it not deplorable that there should now be an argument about whether any redundancies should be voluntary? Cannot the right hon. Gentleman do something to fulfil the pledges which he and other Ministers made during the strike?

Mr. Edwards: I did not see the report to which the right hon. Gentleman referred, but I shall take a look at it now that he has drawn it to my attention. I believe that the pledges given by the coal board and the Government during the strike are being met, and I am told by the NCB chairman that he expects the greater number of job losses in south Wales to arise either through voluntary redundancies or by offering alternative employment in other pits.

Mr. Hubbard-Miles: Does my hon. Friend agree that it ill becomes the hon. Member for Ogmore (Mr. Powell) to talk about job losses in his constituency as a result of the strike which he supported, but which 70 per cent. of the miners in the constituency were against?

Mr. Edwards: It would clearly have been much more desirable if there had been a ballot at the outset to decide whether the miners wanted to go on strike.

Mr. Rowlands: In answer to a question that I tabled, I was told that NCB (Enterprises) Ltd. has in prospect only 300 jobs, while over the same period 1,800 jobs are to be lost. In addition, every day and every week, hundreds of redundancies are announced in all our constituencies. How will the job gap be filled? Will the right hon. Gentleman review his efforts and those of the Welsh Development Agency and everybody else to see whether we can bridge the growing jobs gap?

Mr. Edwards: It is absurd to suggest that all the job losses in the coal industry will be replaced by the jobs announced or encouraged by NCB (Enterprises) Ltd., but it is a matter for congratulation that in the short time that this organisation has existed it has been able to provide loans to create more than 300 job opportunities. That is a good start.

Sir Anthony Meyer: Is my right hon. Friend aware that the price of electricity is every bit as much a matter

of concern both to individual voters in Wales and to job prospects, and that the price of electricity depends directly on coal costs?

Mr. Edwards: That is true, and it is also true that the price of coal will be one of the factors that will influence the CEGB in deciding on its energy sources and all the other energy users deciding whether to use coal. The mining industry can do a good deal in deciding where it has markets and in seizing the opportunities that undoubtedly exist.

Mrs. Clwyd: How can the Secretary of State expect the coal industry to be profitable in Wales if the Government continue to refuse to invest? The Coal Board has offered only £25 million of investment to south Wales over the next year and the NUM says that at least £300 million is needed. Secondly, when does the right hon. Gentleman intended to announce investment in the Margam project, as everybody in Wales is expecting such an announcement?

Mr. Edwards: The Government have provided record sums for investment by the NCB. The hon. Lady knows that the Government do not decide on individual investments, which are a matter for the NCB. The NCB is continuing with its detailed planning for the Margam project, although it has taken no financial decisions yet.

Mr. Anderson: Outside experts tell us that for every job lost in the coalfield, at least one other job will be lost outside. What is the assumption of the Welsh Office in this respect?

Mr. Edwards: Undoubtedly, there is a multiplier effect on job losses, just as there is a multiplier effect when new firms come and create new employment, but I should not like to quantify that multiplier effect.

Mr. Barry Jones: We have had evasive replies from the right hon. Gentleman. Is it not unjust that the south Wales coalfield produces 8 per cent. of coal but receives only 5 per cent. of investment and has only one high-tech coalface? Does he not understand that the south Wales coalfield needs an advocate and a protector in the Cabinet, otherwise by the 1990s there may be only 1,200 workers in the coalfield? Should not the right hon. Gentleman be that advocate? Why is he so lugubrious about coal in south Wales?

Mr. Edwards: Coal closures under this Government and during my period of office have not been at the same rate as under Labour Governments, who closed pits in south Wales on a massive scale. There can be no doubt that there would be a better future and more investment for the coal industry in south Wales if it were not for the substantial losses—losses which were doubled or more because of the strike, which the hon. Gentleman encouraged.

Connah's Quay Power Station

4. **Mr. Barry Jones** asked the Secretary of State for Wales if, when he next meets the chairman of the Central Electricity Generating Board, he will raise the future of Connah's quay power station.

Mr. Nicholas Edwards: I have no plans to do so.

Mr. Jones: The station closed last year with the loss of 400 important jobs. When will the site be cleared, and will local labour be used in the station's demolition? Will the site be used for housing, industry, leisure or a mix of all three? Will the right hon. Gentleman ensure that the site is owned by the community at a reasonable cost? It is speculated that the new crossing of the Dee will emerge at the site of the power station. When will road building for the crossing begin?

Mr. Edwards: The power station site occupies about 650 acres on the banks of the Dee. No decisions have been taken about the eventual use of all this land, although at present there is no shortage of land in the area for industrial development.

Welsh Language Education

5. **Mr. Wigley** asked the Secretary of State for Wales if he is satisfied with the co-ordination of Welsh language education at nursery, primary, secondary and higher levels to ensure the best use of resources available for Welsh language education.

Mr. John Stradling Thomas: I have no reason to suppose that individual local education authorities, whose responsibility it is, have not made provision for Welsh language education appropriate for their areas. I have, however, received representations from various organisations and individuals on the Cymdeithas yr Iaith Gymraeg proposal for a Welsh language education development body. We are currently considering these representations, and we hope to announce our conclusions before the summer recess.

Mr. Wigley: I welcome the Minister's announcement that active consideration is being given to this proposal. Does he accept that there is a wide body of support for such a proposal, which is put forward by the Welsh Language Society and runs across party lines? In looking for a new formula to get the best value for money from what is spent on the Welsh language, is it not necessary to ensure that those local authorities which do most for Welsh language education are not penalised by the rate support grant formula? Does he agree that funding through such a body could overcome the difficulty? Will he bear this actively in mind over the next few weeks?

Mr. Stradling Thomas: I think the hon. Gentleman will agree that there are statutory problems. I shall not come to a firm view until I have considered all the representations put to me and all other relevant factors. I should emphasise that I have no intention of changing the present statutory framework within which local education authorities have responsibility for the provision of Welsh Language education in their areas.

I am meeting representatives of six Welsh language organisations, led by Undeb Cenedlaethol Athrawon Cymru and including representatives of Cymdeithas yr Iaith Gymraeg, shortly to hear their further views on these proposals.

Mr. Gwilym Jones: Will my hon. Friend join me in congratulating the Urdd on its excellent recent eisteddfod in Cardiff? From my observation, it was a first-rate example of all that is best in our Welsh culture. It was a tribute to everyone involved, under the chairmanship of Mr. Malcom Thomas, for a great deal of excellent voluntary effort, especially by teachers.

Mr. Stradling Thomas: I agree very much with my hon. Friend. I might add that the Government's support for

the development of the Welsh language is not in question. We have considerably increased the resources earmarked for the Welsh language, including Welsh language education.

Mr. Barry Jones: I agree with the Minister. The Urdd is doing magnificent work in Wales for the young people, and none of us wants to see the Welsh language withering on the vine of the 21st century. I commend to the Minister the existing consensus on the language in Wales, though there is no room for complacency. What are the prospects for the language in the heartland of Wales—in Dyfed and Gwynedd? What specific measures is he taking to enhance the language?

Mr. Stradling Thomas: There is provision through special grants for the language, and we encourage it in every way through the local education authorities. I think that this is the right policy for the Government to pursue, and we have pursued it vigorously.

House Improvement Grants

6. **Mr. Hubbard-Miles** asked the Secretary of State for Wales how many house improvement grants were awarded in Wales *(a)* between February 1974 and April 1979 and *(b)* between May 1979 and the latest date for which figures are available.

Mr. Wyn Roberts: Between January 1974 and March 1979 a total of 52,768 home renovation grants of all types were paid. Between April 1979 and March 1985 the figure was 92,726.

Mr. Hubbard-Miles: I thank my hon. Friend for that reply. I must confess that I am a little surprised that the figure for the earlier period was quite so high. What has been the average annual spend on housing grants under the two Administrations?

Mr. Roberts: I am not surprised by my hon. Friend's surprise. Of the applications made between January 1974 and March 1979, one half were paid in 1974, which means that they were submitted and approved during our period in office. This Government have been spending about £80 million per annum on renovation grants, compared with £29 million per annum under the last Labour Government.

Mr. Rowlands: Have the Government postponed the idea of abolishing grants and moving towards improvement loans, or are they about to abandon them too? Before the Government consider abandoning either of those policies, will they at least meet the guarantee that they gave 50,000 Welsh home owners that they will pay the grants to which they are entitled under the existing system?

Mr. Roberts: The hon. Gentleman should be aware that we have published a Green Paper and that consultations upon it will take place until 30 September. The Green Paper makes it quite clear that anybody who applied for grant during the relevant period will continue to receive it, irrespective of what happens as a result of the Green Paper.

Mr. Rowlands: When?

Mr. Roberts: The time taken to deal with grant applications depends entirely upon the priority given to them by local authorities. As I said earlier, local authorities are currently spending three quarters of their total housing resources upon renovation.

Mr. Grist: Does my hon. Friend agree that improvement grants have been a means of extending capital ownership and capital wealth throughout society and that in many ways they are comparable with the sale of council houses?

Mr. Roberts: I agree with my hon. Friend. We have extended home ownership by the sale of council houses. I am glad to be able to tell him that 42,262 council house sales have been accomplished under this Government. We have also spent a considerable amount on the renovation of both private and public sector housing, about £275 million having been spent upon the public sector.

Mr. Roy Hughes: When will the Government recognise that in all Welsh towns there are huge waiting lists for improvement grants because so many of our people are living in substandard accomodation? The Green Paper's proposals are not the answer to the problem. Why do not the Government at last decide to engage in a major housing drive instead of persistently waffling about tax cuts, which never materialise anyway?

Mr. Roberts: We are pursuing a very active housing policy and have achieved record figures of council house sales to sitting tenants. The Government are undoubtedly meeting the wishes of people in Wales by selling council houses to sitting tenants, and I am delighted that at long last the Opposition have embraced this policy. The Government are also pursuing a very active renovation policy. We have spent about £500 million on renovating the housing stock of the public and private sectors.

Primary Schools (Expenditure)

7. **Mr. Knox** asked the Secretary of State for Wales how much was spent per pupil in primary schools in Wales in the most recent year for which figures are available; and how this compares with the figure for 1978-79, at constant prices.

Mr. John Stradling Thomas: At 1983-84 prices, spending per primary school pupil in Wales was £655 in 1978-79 and £758 in 1983-84, an increase of 15 per cent.

Mr. Knox: Is my hon. Friend satisfied that the people of Wales are aware of the Government's excellent record in increasing the amount of money spent per pupil, in real terms, in Welsh primary schools? If not, what steps is he taking to ensure that they are made aware of it?

Mr. Stradling Thomas: I have issued invitations to every local education authority in Wales to come and discuss with me, in a constructive spirit, the problems of resource management. I take every opportunity to get across the facts. There have not been any massive or savage cuts. Neither I nor the Welsh Office underestimate the problems of resource management and we accept that they must be grappled with. However, we must get away from some of the Opposition's rhetorical nonsense.

Mr. Alex Carlile: Does the Minister realise that the complacency of his answer is not justified by the evidence of what is happening in our schools? The capitation allowance given to head teachers of primary schools, particularly in the county of Powys, shows that they do not have enough money to buy the paper, crayons, materials and other equipment that are required if primary school children are to be taught properly.

Mr. Stradling Thomas: The hon. and learned Gentleman obviously did not listen to my answer. I have already said that I am not complacent, but, rather, concerned about the failures of resource management. Head teachers have made precisely that point to me, but provision is made by the local education authorities and not by central Government. Consequently, to say that we do not give them enough is to fly in the face of the facts and of the figures produced by the local education authorities themselves.

Mr. Harvey: How many children are being affected by the teachers' dispute? Can my hon. Friend say what the effect would be on school buildings, textbooks and education budgets if a settlement were made that was above the Government's guidelines?

Mr. Stradling Thomas: I can reply to that point quite simply and succinctly. Although we have been through an era of falling school rolls, the drop in the number of teachers has been significantly less. The fall will vary in different local education authorities. However, I must put the matter bluntly, as both the House and the profession should know that one teacher's salary would buy a lot of chalk, books and other modern technological aids to education.

Mr. Denzil Davies: They would not be much good without a teacher.

Dr. Marek: Is the Minister aware that the figures that he gave could be viewed in a different light if such things as school meals, the standard of school cleaning and the capitation allowances were all taken into consideration? Will he admit that the facts are quite different? The hon. Gentleman must be aware that the council in Clwyd has frozen all teaching posts and that, as a result, the September term will be a disaster for teaching? Is the Minister happy that one of the councils over which he has responsibility with regard to grant holdback—I refer to Clwyd — should have been forced to adopt such a position?

Mr. Stradling Thomas: The council has been forced to do so as a result of its own policies. Contrary to what the hon. Gentleman has said, there has been a sharp rise, in constant terms, in educational expenditure in Clwyd. In view of the facts supplied by that local education authority, I must say that the hon. Gentleman's points have no validity.

Mr. Roy Hughes: Does the Minister appreciate that recent HMI reports do not bear out the optimistic picture that he is trying to portray? Will he bear in mind that conditions in the teachers' dispute are deteriorating and that morale among teachers is at an all-time low? Discipline is also crumbling in our schools. When will the Government launch an initiative to settle this very nasty dispute?

Mr. Stradling Thomas: I must make it clear that I have no direct responsibility with regard to the teachers' pay dispute. However, I utterly reject any Opposition suggestion that I am complacent. I propose to meet all the local education authorities to discuss the problems against a background of facts, not rhetoric.

Courtaulds (Greenfield Plant)

9. **Mr. Raffan** asked the Secretary of State for Wales if he will make a statement about Her Majesty's Government's representations to Courtaulds plc. regarding its proposal to close its plant at Greenfield.

Mr. Nicholas Edwards: Plant closures of this kind must be for the commercial judgment of the company, but my right hon. Friend the Prime Minister and I have urged the chairman to make all possible efforts to mitigate the consequences in the areas affected. I know that he is considering how the company can help.

Mr. Raffan: Now that detailed negotiations have begun between Courtaulds and Delyn borough council, will my right hon. Friend continue to impress upon Courtaulds that it has obligations to the community that I represent and that it must—in his words—clear away debris and dereliction and assist in the task of new job creation? Should not Courtaulds also pay back the £2·8 million of public money invested in the modernisation of Greenfield between 1979 and 1981?

Mr. Edwards: As my hon. Friend knows, I have made clear my views on the obligations of Courtaulds. Indeed, my hon. Friend has just referred to remarks that I made in the Welsh Grand Committee. There are established rules for the clawback of regional development grant. I expect that some of the grant may be eligible for clawback, and it is something that we are discussing with the company.

Mr. Barry Jones: The loss of the Courtaulds jobs is a hammer blow to the north-east Wales economy. Why does the right hon. Gentleman not give a major cash boost both to the Welsh Development Agency and the Mid-Wales Development Agency rather than submit them to real-term cuts? They are underfunded and need more powers to face the problems with which they are asked to deal. May I remind the right hon. Gentleman that during the past four months Wales has lost 4,000 manufacturing jobs, and that since he took office Wales has lost 131,000 manufacturing and construction jobs? What is he doing in the Cabinet to obtain a change of policy that will give hope to the people of Wales?

Mr. Edwards: It is characteristic of the hon. Gentleman that all he wishes to do is to throw money in every possible direction. On Courtaulds, we have been having detailed discussions with the local authorities, and others involved, on specific proposals for the area. I expect to make an announcement about the measures to be taken within the next two or three weeks.

Labour Statistics

10. **Mr. Roy Hughes** asked the Secretary of State for Wales what is the level of unemployment in the county of Gwent at the latest available date; and how this compares with the figure in June 1979.

Mr. Nicholas Edwards: On 9 May 1985 there were 28,898 unemployed claimants in Gwent. A comparable claimant-based figure for 1979 is not available. The figure for registered unemployed in June 1979 was 14,065.

Mr. Hughes: Do not those figures tell their own story? Have we not recently witnessed the ineptitude of the Secretary of State on LSI Logic, which has ended up in West Germany? We also note that the right hon.

Gentleman has accepted a 150 per cent. increase in toll charges on the Severn bridge, together with redundancies at Girlings and Standard Telephones. That has happened following six years of catastrophe. Is it not time for the right hon. Gentleman to pack up?

Mr. Edwards: Since 1983 the number of overseas projects secured by WINvest totals 29, promising more than 2,000 new jobs and also safeguarding more than 2,000. That means that more than one third of the total of overseas projects are going to Wales. They include such firms as the Parrot corporation at Cwmbran, Signalex at Newport, Celatose at Ebbw Vale, Texmo at Newbridge, Control Data at Ebbw Vale and British Alcan at Newport. The truth is that Gwent has especially benefited from a very considerable flood of new investment.

Countryside Commission

Mr. Speaker: Order. Before I call the hon. Member for Meirionnydd Nant Conwy (Mr. Thomas) to ask his question, I remind him that it is an open question, and I hope that he will bear in mind my ruling of 14 February last year.

11. **Mr. D. E. Thomas** asked the Secretary of State for Wales when he next expects to meet the chairman of the Countryside Commission.

Mr. John Stradling Thomas: My right hon. Friend has no immediate plans to do so since I met the chairman of the commission Sir Derek Barber and the chairman of the Welsh Committee as recently as 11 June.

Welsh Development Agency

12. **Mr. Terlezki** asked the Secretary of State for Wales how much capital was made available by the Welsh Development Agency to industries between 1978 to 1980 and 1981 to 1984, respectively; and what information he has as to the number of new firms established as a result in Wales between the same dates.

Mr. Nicholas Edwards: In the financial years 1978-79 to 1980-81 the Welsh Development Agency undertook investments of £10 million. In the years 1981-82 to 1984-85 the figure was £24 million. These investments were made in 300 companies, but a breakdown into new and existing firms is not immediately available.

Mr. Terlezki: I am grateful to my right hon. Friend for such an encouraging reply. Is it not a fact that the WDA has not only done excellent work since it began but is expanding? While we must not be complacent about the expansion and about the 300 companies that have received grant to the tune of £24 million, does my right hon. Friend agree that, had it been left in the hands of the Socialists, that would never have been achieved?

Mr. Edwards: I should emphasise in respect of the figures that I have given, that increasingly the WDA in its investment function is acting as a lead to the syndication of funds by venture capitalists and the financial institutions generally and, therefore, the total scale of the investment led by the WDA is much higher than the figures to which I have referred.

Owner-occupation

13. **Sir Raymond Gower** asked the Secretary of State for Wales how many dwellings in Wales were owner-occupied at the latest convenient date; and what were the comparable figures for 1955, 1964, and 1979, respectively.

Mr. Wyn Roberts: At December 1984, 733,000 dwellings, 66 per cent. of the stock, were owner-occupied, and 630,000, or 59 per cent., in 1979. Figures are not available for 1955 and 1964, but in 1961, 48 per cent. of the stock was owner-occupied.

Sir Raymond Gower: Does my hon. Friend agree that that is a remarkable increase and demonstrates the success of the Government's policy to spread owner-occupation and ownership of property not only in Wales but in the whole of the United Kingdom?

Mr. Roberts: My hon. Friend is absolutely right, and I am delighted to tell him that the Government see scope for a further increase in owner-occupation. Our low-cost housing initiatives and shared ownership schemes are designed to promote home ownership still further.

CHURCH COMMISSIONERS

Church of England Children's Society

15. **Mr. Peter Bruinvels** asked the hon. Member for Wokingham, as representing the Church Commissioners, what financial help is given to the Church of England Children's Society by the Church Commissioners; and if he will make a statement.

The Second Church Estates Commissioner, representing Church Commissioners (Sir William van Straubenzee): None, Sir, because it is the commissioners' duty to use their income for defined statutory purposes; namely, the pay, pensions and housing of the clergy of the Church of England.

Mr. Bruinvels: Will my hon. Friend join me in congratulating the Church of England Children's Society on looking after more than 7,000 problem children in 1984, on helping them to be fostered and adopted, and generally on helping to improve the circumstances of all those children who have greatly suffered over the years? As the society also provides special homes for the children, will my hon. Friend reconsider his answer, because these children desperately need help?

Sir William van Straubenzee: I wish to make it absolutely clear that whether or not there is a contribution from the Church Commissioners is not in any sense a judgment. The Commissioners are bound by the law as laid down by Parliament, but of course I join my hon. Friend in acknowledging the splendid work done by this charity, and I know how closely he keeps in touch with it in Leicester and elsewhere.

Staff Hours

16. **Mr. Greenway** asked the hon. Member for Wokingham, as representing the Church Commissioners, what are the normal hours of work of employees of the Church Commissioners; and if he will make a statement.

Sir William van Straubenzee: The normal working hours of the commissioners' employees are 41 per week, including lunch breaks.

Mr. Greenway: While appreciating the expressed interest of the bishops and clergy of the Church of England and those who work for the Church Commissioners, in relation to the problem of unemployment, and bearing in mind the assets, amounting to £1·6 billion, of the Church Commissioners, will my hon. Friend say how many jobs have been created in those areas?

Sir William van Straubenzee: As I told my hon. Friend on 14 March, the very fact that by far the greater part of the portfolio of investments is in ordinary shares in British industry, commerce and services is itself substantial in relation to creating jobs, apart from their work in agriculture. I have also outlined—I must not detain the House on this issue — certain specific initiatives for investment in areas of very high unemployment.

Mr. Frank Field: Had the pay of the staff not been linked to Civil Service rates, would the commissioners have offered more or less pay in settlements in the last couple of years?

Sir William van Straubenzee: I am certain that the commissioners would have been their usual generous selves.

Mr. Peter Bruinvels: As one who is fond of putting questions to the representative of the Church Commissioners, may I congratulate my hon. Friend the Member for Wokingham (Sir William van Straubenzee) on the way in which he deals with points raised by hon. Members? However, can he tell me how much time is spent by the commissioners in considering the appointments of bishops, some of which have been controversial in the past?

Mr. Speaker: Are bishops employees of the commissioners?

Sir William van Straubenzee: The commissioners take no part in the appointment of bishops. One of the great joys of answering questions on behalf of the commissioners is that it provides one of the rare opportunities that we have of hearing my hon. Friend the Member for Leicester, East (Mr. Bruinvels).

Pastoral Measure 1968

17. **Mr. Chapman** asked the hon. Member for Wokingham, as representing the Church Commissioners, how many new churches have been opened and how many churches have been closed for worship since the Pastoral Measure 1968 came into operation.

Sir William van Straubenzee: A total of 1,078 churches have been declared redundant, but I am glad to say that 335 churches have been opened.

Mr. Chapman: Although those statistics may seem somewhat depressing on first reading, is it not a fact that the Church is responding to the shift in patterns of population and the increased mobility of its members? Is the construction of 335 churches over the past 15 years a sign of the significant and substantial contribution which the commissioners have helped to make towards the needs of the Church's members?

Sir William van Straubenzee: I am glad to bring out the point that my answer had to be limited to 1969, which was the first year in which the commissioners had statutory powers to start to deal with many churches which had been redundant for many hundreds of years because of population movements. There is a senior diocesan who has often said that, in a mixed and large diocese, he has in his long episcopate opened far more churches than he has closed.

Mr. Merlyn Rees: To enable us to evaluate the many reasons for the closure of churches, would it be possible for the hon. Gentleman to arrange for the distribution of what seems to be a valuable document on the rural problems of the Church of England, which was published recently?

Sir William van Straubenzee: I do not think that my help is necessary, as it is a published document. I shall investigate whether a copy can be placed in the Library. The right hon. Gentleman, who is used to weighing evidence, will want to remember that the document is based upon an examination of one rural diocese only. There are some who question how solid the inquiry really is.

Mr. Cormack: Can my hon. Friend tell me in a letter, if not now, how many of the churches to which he has referred were in rural areas as distinct from urban areas? Will he and his fellow commissioners give some little thought to the fact that to employ a priest full-time, even an elderly priest, in a rural community is often a better way of serving that community than having team ministries and closing churches?

Sir William van Straubenzee: I shall inquire whether I can properly give an answer to the first part of my hon. Friend's question. Definition may be a problem, but I shall do my best. The second part of his question raises a matter that is not directly for the commissioners. However, I know that my hon. Friend, who follows these matters closely, will have observed that the Church itself has been undertaking a close inquiry. If he has not seen the report on how the system is working, I shall happily send him a copy.

Mr. Frank Field: The Church moves quickly to close uneconomic churches. Why does it not put up the same resistance to closures as it did to the closure of uneconomic pits?

Sir William van Straubenzee: That is because it is not directly concerned, for obvious reasons, with the law passed by the House on the coal mining industry.

Mr. Greenway: Bearing in mind that there are now 10,000 clergy compared with 20,000 100 years ago, when the population was half what it is now, is it not clear that much more vigorous recruitment is needed of high-quality clergy if rural areas are to be served as well as urban areas?

Sir William van Straubenzee: I make it clear that I am not answerable for the training of the clergy. I can only try to assist. I hope that I may make that distinction. The Church has always maintained a very high training standard and has refused to lower standards merely because it would be tempted to increase the numbers.

Mr. Ryman: With respect to the supplementary question on uneconomic pits——

Mr. Speaker: Order. I am not certain that I should have allowed the hon. Member for Birkenhead (Mr. Field) to ask that question. I hope that it will not be asked again.

Mr. Ryman: With respect, Mr. Speaker, it was a supplementary question to which the hon. Member for Wokingham (Sir W. van Straubenzee) gave his usual evasive and platitudinous reply——

Mr. Speaker: Order. To be fair, the hon. Member for Wokingham (Sir W. van Straubenzee) does not have responsibility for coal mining.

THE ARTS

Regional Arts Associations

18. **Mr. Tony Banks** asked the Parliamentary Under-Secretary of State answering in respect of the Arts when the Minister for the Arts next expects to meet representatives from the regional arts association.

The Parliamentary Under-Secretary of State for the Environment (Mr. William Waldegrave): My noble Friend met a number of directors of regional arts associations on 7 June.

Mr. Banks: When the Minister for the Arts next meets the chairmen of the regional arts associations, will he discuss the Arts Council report of 29 May? That report clearly reveals that an extra £37 million is required from the Government to make good the loss in arts expenditure if the GLC and the metropolitan county councils are abolished. Is the Under-Secretary of State aware that the Arts Council has said that about 550 arts organisations are at risk? When the Arts Council responds, will the Government give a favourable and considered reply to this urgent case?

Mr. Waldegrave: My noble Friend will certainly take account of these submissions in his consideration of the Arts Council's needs. We must be wary of scare stories. Last year there was a perfectly clear ploy by some of the authorities which will be abolished to increase expenditure. They tried to land the Government in some embarrassment. We have guaranteed that we shall fill the gap on the 1983-84 basis. We shall, of course, examine what else needs to be done. The boroughs in the new districts that will succeed the abolished authority areas must play their part.

Sir Geoffrey Finsberg: When my hon. Friend the Under-Secretary of State and the Minister for the Arts next meet representatives of the regional associations, will they make it clear that many terminological inexactitudes from County Hall, such as that services in the arts will suffer when the GLC has been abolished, have been exposed for what they are—for example, the scare story by the GLC that concerts at Kenwood would cease?

Mr. Waldegrave: A completely new organisation would be needed to counter the moving target of the stories put out by the GLC. My hon. Friend refers to one, but he could add many others to the list.

Mr. Freud: Is the hon. Gentleman aware that the Minister for the Arts made a statement that, given good will and a positive spirit, the arts will be in no danger of diminishing in London? Will the hon. Gentleman tell the House about this positive spirit in the light of the possible £21 million decrease in arts funding?

Mr. Waldegrave: The first and most positive response was the Government's quick move at the beginning of the abolition debate to put money on the table.

Mr. Freud: How much?

Mr. Waldegrave: A large sum—£16 million—for the arts. This was made on the basis of 1983-84 expenditure. My noble Friend has made it clear that he will consider whether additional expenditure is needed.

Mr. Leigh: When my hon. Friend next meets representatives of the regional arts associations, will he note that, although funding for Lincolnshire and Humberside has risen to £618,000 this year from £523,000 last year—a welcome increase—and expenditure is 44p per head in that region compared with 24p per head in Greater London, those figures do not take adequate account of the grave problems faced in funding the arts in rural areas? It can take at least two hours to travel from north Humberside to south Lincolnshire. Some citizens of small Lincolnshire towns never see Arts Council activities. Will my hon. Friend try to continue his policy of transferring grants from the great cultural wen of London to rural areas?

Mr. Waldegrave: I do not necessarily agree with the description of London given at the end of my hon. Friend's question. It is central to the Arts Council's strategy, which has my noble Friend's support, to give greater support to the regions and provinces.

Mr. Buchan: Is the hon. Gentleman aware that this has been a quite disgraceful response? The figures have been worked out, not on the basis of extravagant local spending, as alleged by the Minister, who made certain accusations, but by the arts associations and the Arts Council. There is a shortfall not of £21 million but of £30 million, because £9 million has already had to be wiped off. The arts associations recognise that fact. That sum is equivalent to three times the amount given per year to all the regional arts associations in London. That is a horrendous figure.

Secondly, instead of attacking the local authorities, will the Minister reiterate to the House the pledge given by his noble Friend the Minister for the Arts, who will be dealing with the matter today, that there will be full replacement of the money lost? The Minister's figure of £16 million is now £30 million. That is horrendous and cannot be replaced by Paul Getty. Will the Minister now give a pledge to this House, or ensure that his noble Friend will give a pledge this afternoon when the matter is debated in the other place?

Mr. Waldegrave: The hon. Gentleman is a little off-beam. The pledge was on the 1983-84 basis, and that has been met. My noble Friend will be considering what is needed in addition, if more is needed. I am by no means attacking local authorities. By saying that everything should be done by central Government, the hon. Gentleman is providing an excuse for those boroughs which do not want to undertake their responsibilities.

Fund Allocations

19. **Mr. Meadowcroft** asked the Parliamentary Under-Secretary of State answering in respect of the Arts what proportion of the budgets of Opera North, the English National Opera, and the Royal Opera House, Covent Garden, are to be met from centrally allocated funds in 1985-86.

Mr. Waldegrave: The percentages are : Opera North, 56·7, English National Opera, 54·5 and Royal Opera House, 49·0.

Mr. Meadowcroft: Is the Minister aware that the figures will not be regarded as satisfactory in the north? Does he realise that he expects far too high a proportion of the funds to come from private sources in the less affluent north, with the result that people in the north will have to accept lower standards of production? Is the Minister aware that Opera North's recent performance of "The Mastersingers" received favourable comment except for the production itself, which many commentators regarded as below par? It is entirely a matter of funding and the figures are unsatisfactory.

Mr. Waldegrave: I am sure that the hon. Gentleman will welcome the continuance of the company as a separate company. I note that the figures show that a lower proportion of funding is expected to come from private sources in the north than is the case in London. On the other hand, a very large increase—25·8 per cent., the largest of all—has been made in the funding of the Yorkshire arts in this year. That is helping many new bodies—for example, Phoenix Dance.

Mr. Jessel: Is my hon. Friend aware that British opera, ballet, orchestral concerts and many other arts, have a high standard of excellence, attract huge numbers of foreign visitors to our shores, and generate employment not only in the arts but in hotels, catering and so on, out of all proportion to the funding with which they are provided? Is that sufficiently taken into account by the Government in assessing the degree of funding that would be beneficial?

Mr. Waldegrave: My hon. Friend is right, and it is one of the considerations that my noble Friend takes into account.

Business Sponsorship

20. **Mr. Proctor** asked the Parliamentary Under-Secretary of State answering in respect of the Arts if he will list the most recent examples of major business sponsors of the arts under Her Majesty's Government's pound for pound scheme; and if he will make a statement.

Mr. Waldegrave: Under the pound for pound scheme which started on 1 April, BSIS awards of £10,000 or more have been made in response to the following major new sponsorships: £25,000 to the London City Ballet, sponsored by Neste Oy, Finland; £25,000 to the National Association of Youth Theatres, sponsored by Anchor Foods Ltd.; £14,500 to the Arundel Festival, jointly sponsored by Harlequin Holidays, Courpark Ltd. and Blake's Hotel; and £13,000 to the Lincoln Festival, sponsored by Marconi Electronic Devices Ltd.

Mr. Proctor: In the light of those contributions, and in the light also of Mr. Paul Getty junior's contribution of £50 million to the arts, will my hon. Friend confirm that the state should not be seen as the only benefactor of the arts in Britain, or seen as the benefactor of last resort?

Mr. Waldegrave: Business sponsorship demonstrates the importance of that element in plural funding.

I know that the House will want to pay tribute to Mr. Getty — a new Maecenas come among us — for his extraordinary generous gift. It shows that there are many sources in addition to those of the state. The Getty gift was made with modesty and humour, which I think the British people like when spectacular things are done. It was also done with considerable style, and I am sure that I speak for the whole of the House in welcoming it.

Mr. Jim Callaghan: With regard to the very generous gift of £50 million by Paul Getty to the National Gallery, is it now the intention of the Government to match that gift pound for pound? If that is so, where is the money to be placed?

Mr. Waldegrave: I am afraid that Mr. Getty's gift is so great that it is not eligible under the business sponsorship incentive matching scheme.

Attenborough Report

21. **Mr. Wigley** asked the Parliamentary Under-Secretary of State answering in respect of the Arts what steps the Minister for the Arts proposes taking to implement the recommendations within his responsibility of the Attenborough report on the arts and disabled people; and if he will make a statement.

Mr. Waldegrave: The recommendations were addressed to a wide range of bodies; but my right hon. and noble Friend will be giving careful consideration to those which touch on his responsibilities.

Mr. Wigley: Will the Minister pay attention to paragraph 4.17 of the report, which is one of his responsibilities, which recommends that funds should be made available so that arts venues are more accessible to disabled people? Will he consider the point made in the report that there might be an incentive scheme similar to the BSIS to make such funds available?

Mr. Waldegrave: I shall draw the latter suggestion to my right hon. and noble Friend's attention. The previous point made by the hon. Gentleman has already been a matter for discussion with the arts funding bodies. I am aware that the hon. Gentleman has reason to be proud of the high standard of that excellent report.

Mr. Buchan: On a point of order, Mr. Speaker, arising out of Question Time. There is a familiar phrase used in the House which has a bearing on what I shall ask. It relates to the organ grinder and the monkey. It is becoming extremely difficult for us, especially when figures are involved, when we receive a surrogate response. The difficulty is caused because the Minister for the Arts, not yet replaced by an American millionaire, is in another place. If, for example, the Minister for the Arts had been present in the House today he would have been forced to acknowledge his pledge of replacement for the funds and we could have questioned him on that point. Could the inconvenience that that causes on both sides of the House, and not least to Conservative Back Benchers, be made known through you, Mr. Speaker?

Mr. Speaker: I have many responsibilities in this place, but the appointment of Ministers is not one of them.

British Leyland

3.31 pm

The Secretary of State for Trade and Industry (Mr. Norman Tebbit): With permission, Mr. Speaker, I shall make a statement on the BL 1985 corporate plan. I am making available in the Library of the House and in the Vote Office a report by BL on its recent performance and details of the 1985 corporate plan.

The company submitted its corporate plan in December 1984, at the end of a year in which BL's recovery had been slowed by continuing over-capacity and highly competitive conditions in most of BL's markets. There has, however, been a significant improvement in performance in the first part of this year.

In March the company put to us outline proposals for further collaboration between Austin Rover and the Honda Motor Company, extending the successful collaboration on the Acclaim, Rover 200 series and the XX executive car project. The central element was a joint design and development programme on a further new car, embodying the best technology of both companies. It was also proposed that the Austin Rover group would manufacture in the United Kingdom the Honda version of the new vehicle and that Honda would manufacture in Japan for ARG. BL would also manufacture other Honda models for European sale.

Honda also said that it was considering setting up its own engine manufacturing plant in Swindon to supply engines for these Honda vehicles and the Rover 213, which currently uses an imported engine.

The Government welcomed these negotiations and have given their approval in principle to these proposals, which, now also agreed in principle between Honda and BL, provide for collaboration on the new model, the manufacture of certain other cars for Honda by BL and Honda's further consideration of the engine factory at Swindon.

The Government undertook with the company an examination of the basic corporate plan and possible variants. In the light of this the Government have given approval to the plan as amended by BL to incorporate the substance of the collaborative proposals.

As the House knows, one of the BL board's objectives is to return the business to the private sector as soon as practical. Further steps towards this objective are under consideration and I will keep the House informed of progress.

Mr. John Smith (Monklands, East): Is the Secretary of State aware that I had hoped to come to the House today to welcome with relief the Government's support for the corporate plan, including an engine development? As the statement is full of ambiguity, perhaps the Secretary of State will give us some further information in reply to questions? Is there not some deliberate fudging of some crucial issues in the statement? First, is the Austin Rover group to develop its own new British designed and manufactured engine to replace the A series engine?

Secondly, in the proposed new jointly developed car, which I understand to be a smaller version than the XX, what is meant by

"embodying the best technology of both companies."?

Is the Austin Rover group, or Honda, to supply the engine?

Thirdly, in terms of the plan and the statement, can we be assured that Britain will maintain, through the Austin Rover group, its own major British-owned engine designing and manufacturing capability?

Fourthly, in his statement the Secretary of State referred to Honda supplying engines from Swindon for "these vehicles". Does he include in that phrase the new joint car as well as the Honda vehicles to be assembled by ARG, and the Rover 213?

Fifthly, with regard to the Honda cars to be assembled at Longbridge, is this a short-term project, which represents the desirable utilisation of underused facilities, or is it a long-term project, which may mean the Austin Rover group accepting a much diminished role in terms of future car production in this country? Will the Honda cars assembled at Longbridge be counted against the Japanese voluntary import restraint, as the Secretary of State assured us is to be the case with production at Nissan?

Sixthly, if BL has to finance future development from profits, the proceeds of privatisation and borrowing, what is the amount of the guarantee of borrowings agreed by the Government with BL, and why is it not spelt out in the statement for the information of all concerned? Why is there such coyness about the money?

Seventhly, the Secretary of State said that the Government had examined variants of the corporate plan. Was one of those variants the idea emanating from the Prime Minister's own policy unit, to buy engines from Honda? Why does she have such little faith in British technology?

Eighthly, is the right hon. Gentleman aware that in its report BL states that sales of buses have been badly affected by the decline in United Kingdom bus and coach purchases? It also refers to major uncertainties. As the major factor in that decline and uncertainty is the Government's transport policies, would it not make sense to abandon them and help Leyland Vehicles as well as millions of passengers?

Ninthly, why are the Government persisting in selling off the profitable subsidiary, Unipart, the financial success of which would strengthen the group if it were retained?

Finally, can the Secretary of State tell us specifically about Honda's plans at Swindon? Are they to be confined to engine production for Honda vehicles, or is there an intention to enter upon full-scale vehicle manufacture?

In answering those precise questions, will the Secretrary of State bear in mind that the Government's good intentions will turn on his avoidance of ambivalence and ambiguity?

Mr. Tebbit: It is characteristic of the right hon. and learned Gentleman that on 15 May he said that if the Government

"support the corporate plan and give BL the resources that all who work there believe that it deserves and which the Opposition certainly support, I shall be the first to congratulate the Government." — [*Official Report*, 15 May 1985; Vol. 79, c. 332.]

I think that the right hon. and learned Gentleman may have missed the chance of congratulating the Government first. It would be typically ungenerous of him to do so.

There is no fudging of these issues. First, the right hon. and learned Gentleman asked me whether BL is to develop an engine to replace the A series—that is the K engine. The answer is yes.

Mr. John Smith: No fudging.

Mr. Tebbit: My goodness, if I detailed every product that was to be produced, it would be a very long statement.

Secondly, the right hon. and learned Gentleman asked what it meant when I said that the new car would embody the best of both companies' technologies. It meant that the new car would embody the best of both companies' technologies. Surely that must be the best way to produce a successful motor car.

Mr. John Smith: Who is to supply the engine?

Mr. Tebbit: The engine will be supplied in accordance with the agreements that are reached, and I expect that the cars produced in Britain will have British-produced engines. The cars that are produced overseas will bave Honda-produced engines.

Fourthly — I think — the right hon. and learned Gentleman asked whether the engine plant at Swindon was projected for just the "other cars" or for the YY car as well. The answer is that the new car has not yet been defined and the engine plant at Swindon which is under consideration is to produce engines for the Honda-badged cars and the Rover 213.

Fifthly, the right hon. and learned Gentleman asked whether the Honda-badged cars produced in Britain would count against the industry-agreed informal quota of Japanese cars on the British market. The answer is no, because the aim is to achieve a level of British content that will qualify them as European cars to be sold in the European market. *[Interruption.]* It will be done as soon as possible.

Mr. Speaker: Order. There are 10 questions to be answered, and if the Opposition Front Bench ask supplementary questions as we go along, we shall be here for a long time.

Mr. Tebbit: Sixthly, the right hon. and learned Gentleman asked about changes in borrowings and guarantees. There have been no changes in those matters. Seventhly, he asked about variants of the plan and referred to the influence of No. 10. The right hon. and learned Gentleman should not believe all that he reads in the papers. If he bases questions on speculative stories in the press, he must expect to be told firmly that he should do better homework and listen more carefully to the answers that he gets.

As for BL and buses, the concept of a bus manufacturing company should be that it produces buses to suit the needs of the consumer. The Transport Bill is aimed at putting consumers' needs first.

Mr. Simon Coombs (Swindon): Will my right hon. Friend accept from me that the town of Swindon will be grateful for the news that, as a result of his statement, there is to be a resurgence of engineering jobs to replace those that will almost certainly be lost in another industry in the town? The statement will, therefore, be warmly welcomed. Will my right hon. Friend assure the House that he will not listen to the criticisms of the Opposition Front Bench in a way that might lead to a reduction in the number of new jobs created in Swindon?

Mr. Tebbit: I can undertake that I will always listen to criticisms, whether from the Opposition Front Bench or anywhere else, if they are sensible and well informed. That does not give me too much work to do when listening to the Opposition Front Bench. I share my hon. Friend's pleasure at the fact that new jobs can be expected in Swindon if the new engine factory goes ahead there, as we all hope it will.

Mr. Ian Wrigglesworth (Stockton, South): Is the right hon. Gentleman aware that the approval of the corporate plan is very welcome and that the only hope for the future of BL as a volume producer in world markets is close collaboration with Honda? Will the right hon. Gentleman clarify one particularly ambiguous point in his statement? He said that Honda would give further consideration to the engine factory at Swindon. What does "further consideration" mean?

Mr. Tebbit: It means "further consideration". The company is considering the proposal to build an engine factory at Swindon. In my view, it is important to encourage the company to do that. It is difficult to see how the requisite levels of United Kingdom content could be reached in the Honda-badged motor cars if the engines were not built in the United Kingdom. It would perhaps be possible, but it would be difficult.

Sir Reginald Eyre (Birmingham, Hall Green): Is my right hon. Friend aware that, despite the carping tone of the right hon. and learned Member for Monklands, East (Mr. Smith), he is to be congratulated on his statement, which will be warmly welcomed in the west midlands and will have a beneficial effect in raising morale in that area among all those engaged in the motor industry? Can my right hon. Friend confirm that British Leyland will retain control of all aspects of its technology, which is so important to its engineering future?

Mr. Tebbit: I am grateful to my hon. Friend. Both Honda and BL agree that although they will be involved in collaborative ventures they will retain their identities and technologies. That is particularly important in engine technology.

Mr. Jeff Rooker (Birmingham, Perry Barr): Is the Secretary of State aware that as it is nearly 10 years since the Secretary of State and his colleagues voted against the public saving of the old BL, my constituents and the hundreds of thousands of other people who depend upon the motor industry would be pleased if the Government were fully committed to BL's corporate plan? If the Secretary of State has good news and has succeeded within the Government in achieving acceptance of the corporate plan as presented, why can he not say so? Perhaps I have misunderstood the ambiguities in his original statement, which were not cleared up in his answers to my right hon. and learned Friend the Member for Monklands, East (Mr. Smith). Have the Government given BL the necessary financial guarantees for which it asked — without ambiguity? An answer to that would reassure several hundred thousand people in the west midlands.

Mr. Tebbit: I am glad that the hon. Gentleman took our minds back over the last 10 years, because 10 years ago another mistake was made at a time of near disaster in BL's affairs. That was why I and a number of my right hon. and hon. Friends voted against the ill-conceived measure introduced by the then Government. In the last 10 years the British motor industry has also suffered from a grave increased penetration of our domestic market by imports. Between 1974 and 1979 those imports increased

[Mr. Tebbit]

by 28·4 percentage points. I am happy to say that between 1979 and 1984 the tide was stemmed and the increase was only 1·2 percentage points.

The House will be aware that the Labour Government's record in this respect was disgraceful, whereas ours is a great improvement.—*[Interruption.]* That happens to be true, and the Opposition know it. The true stuff is the good stuff, and the good stuff is the true stuff—that is why the Opposition get it from me.

The hon. Member for Birmingham, Perry Barr (Mr. Rooker) asked about financial resources. The Government are not making financial resources available to BL. BL's requirements for capital will be satisfied from its internal generation of cash and from its borrowings. There are no changes in guarantees.

As in earlier years, there have been discussions about BL's borrowings and we reached agreement with BL on its likely future pattern. We also reached agreement on the treatment of receipts from privatisation. The Government will monitor carefully all aspects of BL's performance, including its financial performance and borrowings. If it becomes clear that BL has a need, or if it fears that it will deviate from the agreed pattern, the company will talk to the Government.

Mr. Steve Norris (Oxford, East): Is my right hon. Friend aware that I approve of the corporate plan, which was well worth waiting for? Will he comment on the proposals for the return to the private sector of Unipart, particularly since none are keener to see the project succeed than the people who work for that company?

Mr. Tebbit: Yes, Sir. The people working for Unipart are enthusiastic about a return to the private sector. I hope that that will be accomplished, market conditions permitting, during this year.

Mr. George Park (Coventry, North-East): I am glad that the Government have approved the corporate plan, which will allow BL to develop the K series engine. Is the right hon. Gentleman aware that many people throughout the country have waited anxiously for this decision because their livelihoods depend upon it? As people's futures are at stake, it is too serious a matter for the right hon. Gentleman or anyone else to try to score political points. Is the right hon. Gentleman aware that there is no point in his hon. Friend the Member for Swindon (Mr. Coombs) clapping his hands at the thought of Honda bringing 500 jobs to Swindon if 500 other jobs are to be lost in the west midlands, because we shall be back to square one? Is he further aware——

Mr. Speaker: Briefly, please.

Mr. Park: Is the right hon. Gentleman further aware that the work people and management, who have made enormous efforts to bring BL to this point, would have been ill served if the Government had done anything other than they have done today?

Mr. Tebbit: As I understand it, the hon. Gentleman is saying that he would like to congratulate the Government, but in an entirely non-partisan way.

Mr. Kenneth Warren (Hastings and Rye): May I say how pleased I am to hear of my right hon. Friend's approval of the corporate plan and the way in which it identifies the determination of BL to be as competitive as the best of its competitors? Is he aware that Mr. Horrocks, chief executive of BL Cars, when asked by the Select Committee on Trade and Industry last year whether the company wanted any more money from the market or from the Government, replied that the company did not want one penny piece more? Will my right hon. Friend make it absolutely clear that the very substantial investment that will be required for the welcome improvements in the product range will be raised entirely from within the resources of BL?

Mr. Tebbit: I thank my hon. Friend for what he has said. As I think I explained earlier, the resources that BL will require are to be raised partly from internal generation of cash and partly from borrowings of a normal commercial nature. The Government will not be putting in any extra money by way of equity or the like.

I inadvertantly omitted to answer one of the points raised by the hon. Member for Coventry, North-East (Mr. Park) about the extra jobs that might be created in Swindon in relation to jobs that might be lost elsewhere. I emphasise that the plant which we hope will be built in Swindon will supply engines for the Honda vehicles to be made by BL and for the Rover 213, which currently uses an imported engine, so they will all be new engines and, one hopes, new jobs.

Several Hon. Members *rose——*

Mr. Speaker: Order. No fewer than 38 right hon. and hon. Members have already applied to take part in the next debate, so I appeal for brief questions, which, I hope, will lead to brief answers.

Mr. Michael Meadowcroft (Leeds, West): I welcome in principle the approval of the BL corporate plan, particularly after such lengthy consideration. Will the Secretary of State estimate the effect on manpower employed by BL in general as a result of the variants in the corporate plan, especially as many of us were concerned that not every avenue had been explored previously? For instance, Charles Roe in Leeds is now back in production with sufficient orders to give continuing employment to 71 people. Secondly, to what extent will the manufacture of Honda engines in this country lead to a transfer of technology rather than merely using a British work force?

Mr. Tebbit: I am sorry that the hon. Gentleman cannot bring himself to welcome the statement in practice as well as in principle. If the collaboration goes ahead successfully and the objectives of the corporate plan are fully met, the prospects for jobs will be brighter than they otherwise would have been, but it is not possible to enumerate the jobs concerned. On the second point, I cannot say that I believe that there will be a great deal of transfer of technology, because it is primarily the manufacture of engines that will be undertaken.

Sir William Clark (Croydon, South): As British Leyland's accumulated losses are more than £1·6 billion, will my right hon. Friend be more specific about the borrowing requirements as a result of the corporate plan? Will he have a word with the Chancellor of the Exchequer, because if the Government stand behind any BL borrowing and give a guarantee that will not affect the PSBR, whereas if this were a nationalised industry it would affect the PSBR? Is this not an anomaly that should be eradicated?

Mr. Tebbit: One can never cease to marvel at the definitions of the PSBR around the edges, but what my hon. Friend says will be of great interest and a matter of discussion for many years to come. I cannot add to what I said earlier about the pattern of BL's borrowings. We have agreed with BL the pattern for its future borrowings, and the company and ourselves will keep a careful eye on them. If BL wishes to make any changes in its planning, it will come back to us.

Mr. Robin Corbett (Birmingham, Erdington): Will the Secretary of State make it clear that the Government are committed to the development of the K series engine by Austin Rover? Will he also make it clear that before there is any privatisation of BL, many of the thousands of millions of pounds invested by the taxpayer will return to the taxpayer rather than go into private pockets?

Mr. Tebbit: For the second or third time, I must say that the Government are committed to the corporate plan, which is committed to the developement of the K engine. Sadly, many thousands of millions of pounds which have been invested have simply been lost due to the very unwise way in which the previous Government supported the Ryder plan, and many millions have been lost over the years because of fruitless, stupid and anarchic industrial disputes in the company.

Mr. Roger King (Birmingham, Northfield): Will my right hon. Friend accept the grateful thanks of my constituents at Longbridge for his continuing support of the BL corporate plan, which will lead to the production of additional new cars and engines at that plant? That is just as it should be in a factory which in terms of productivity is the most efficient in the world. Is this not a bad day for Opposition Members, who have decided that what concerns them most is who provides the toilet rolls?

Mr. Tebbit: I do not know about my hon. Friend's last point, but I am pleased that we have been able to continue our support of British Leyland, I hope that we shall be able to continue to do so in future. Productivity levels have greatly improved, but I am sorry that things were somewhat spoilt last year by some industrial disputes, and I very much hope that that will not recur this year. This is a bad day for the Opposition. They had hoped for bad news, but they have not received it.

Mr. Robert N. Wareing (Liverpool, West Derby): Will not this plan primarily benefit the Japanese capitalists, and is it not further back door penetration of the British economy? Instead, should not the Government be encouraging public authorities, such as transport companies, area health authorities, British Telecom and the Post Office, to purchase BL products so that over-capacity is eliminated?

Mr. Tebbit: The answers to the hon. Gentleman's questions are no, no, no, and no respectively.

Mr. Robin Maxwell-Hyslop (Tiverton): As the first agreement with BL had a hole in it, in that Honda could have exported to Spain whereas British Leyland's market share was the EEC, defined by individual countries, will my right hon. Friend make sure that Spain does not become a back door entry into the EEC by Honda from Japan, thereby impairing the market that is supposed to belong to British Leyland in the EEC as a whole? What are the implications of my right hon. Friend's announcement for the British components industry?

Mr. Tebbit: The implications for the British components industry are favourable. Indeed, there will be greater opportunities for that industry, provided, as ever, that it is competitive on quality, price and delivery.

As to my hon. Friend's first point, the situation has now radically changed, as both Spain and Protugal will join the European Community on 1 January next year.

Mr. Roy Hughes (Newport, East): Did the Minister make any attempt to bring the new Honda development to development areas, which has been the policy of successive Governments? Secondly, with regard to the statement about the British content of Honda motors, has the Secretary of State had any discussions with the Common Market authorities on this matter?

Mr. Tebbit: On the second point, no. These matters are fairly well understood, not least because of the discussions that have taken place from time to time about the Nissan cars that will be produced in Britain. On the first point, the Honda Motor Company suggested that if it built an engine plant here it would do so at Swindon. It has purchased a suitable site, which also happens to be in a convenient place for the BL works at both Cowley and Longbridge. It would have been wrong for me to try to persuade the company to do something which it did not think was calculated to make the greatest possible success of the enterprise.

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): Does my right hon. Friend agree that possibly the only disappointing thing today has been the rather churlish acceptance of this excellent news by the Opposition? Does he further accept that for the midlands motor industry the statement is one of genuine joy and satisfaction? As was said about the El Alamein battle in the second world war, if that was not the beginning of the end, it was the end of the beginning. This new acceptance by the Government of the BL corporate plan is the end of the beginning, and the future of the BL now lies with the management and the workers, and the people of the midlands. I have no doubt what their response will be. We shall win new markets, new cars and new jobs for the British nation. That is the important thing about today's announcement, and the midlands are grateful to my right hon. Friend.

Mr. Tebbit: I thank my hon. Friend for his comments. What is remarkable is not that the Government are once again approving a BL corporate plan but that the Honda Motor Company has taken the step of accepting that the quality levels of BL are now such that it feels safe and comfortable about BL producing Honda cars with a Honda badge, and for Honda to sell them. That is a great change from the unhappy situation five years ago.

Mr. Tim Rathbone (Lewes): Does my right hon. Friend accept that probably the only other group of people apart fom the Opposition who do not welcome the plan are some of Honda's motor manufacturing competitors? Can he reassure the House, as he did by innuendo earlier, that this in no way interrupts the Government's plans for the privatising parts of the motor industry?

Mr. Tebbit: I am grateful to my hon. Friend for what he has said. I would never be a man to be found guilty of innuendo, so I make it plain that the approval today will advance the cause of privatisation.

Mr. Eric Forth (Mid-Worcestershire): Can my right hon. Friend confirm that one of the main influences on the

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Government in making this forward-looking decision is the vast improvement in industrial relations and productivity at BL plants? Will he also confirm that the Government can reasonably look forward to a continuation of this process, which will lead to further security and growth in employment in the west midlands and elsewhere?

Mr. Tebbit: This is so, and had industrial relations and the productivity level not improved from the appalling state that we found five years ago, we could not have approved a plan of this kind. Nor would the Honda company have proposed such a collaboration in those circumstances. I agree that the future of the company is in the hands of the work force, and I wish it well.

Mr. Andrew Faulds (Warley, East): Is not the way that the right hon. Gentleman treats these matters of employment, which are of considerable significance to many of our constituents, typical of his offensive, sick and perverted personality?

Mr. Tebbit: The hon. Gentleman is basing his question on an entirely false hypothesis. He should understand that he is sick and disappointed at the good news.

Mr. John Mark Taylor (Solihull): It is typical of the reaction of my constituents that they will be pleased with today's statement, as will many of us who wish to see the United Kingdom remain in volume car production and engine manufacturing development. My constituents' pleasure will not be qualified by the fact that they well remember what happened to the British motor cycle industry and do not want to repeat those mistakes.

Mr. Tebbit: I hope that we shall not repeat those mistakes, and I take great encouragement from the many improvements in BL. There is still a great deal to be done, and it is regrettable that last year there was a slipping back in industrial relations and productivity. Underlying trends are good, and I hope that the company will justify the Government's faith in it.

Mr. Alan Williams (Swansea, West): In view of the answers that the Secretary of State has been able to give, does he feel that the Prime Minister and her policy unit did any service to British industry and to BL in particular by putting forward the proposition that BL should capitulate to the Japanese and buy Honda engines instead of developing its own? As to import substitution and the voluntary restraint on Japanese car imports, why is the right hon. Gentleman treating Honda-badged, United Kingdom-produced cars differently from the way in which he intends to treat Nissan-produced cars? What will be the percentage of British components, excluding manpower, at the start of the production of the Honda-badged cars in the United Kingdom, and as a long-term objective? In making this calculation, will the Honda engines produced at Swindon to go into the Honda cars produced at BL Longbridge count as a British component contribution?

Mr. Tebbit: The treatment of Honda cars made in Britain will be exactly the same as the treatment of Nissan cars made in Britain. I hope that there will be a rapid building up to a European content of at least 80 per cent., on the same definition as that used for Nissan. As for the engines, I do not know what the right hon. Gentleman would call an engine that is manufactured in a factory in Britain by British workers, if it is not British.

Mr. Williams: Japanese. We do not have restraint agreements with them.

Mr. Tebbit: I hope that the right hon. Gentleman will not take that view of British-designed products produced in overseas countries. I think that he would land us in a great deal of trouble if he did.

On the right hon. Gentleman's first point, the points from the No. 10 policy unit were, as always, helpful and probing questions and suggestions. There was never any suggestion of asking BL to capitulate. That is a figment of the right hon. Gentleman's imagination and that of the press.

Airports Policy

Mr. Speaker: We now move to the important debate on airports policy. I remind the House that 38 right hon. and hon. Members have already shown their wish to take part, so I intend to apply the 10-minute limit between 7 and 9 o'clock. I shall give some priority to those hon. Members who were not called during the questions on the statement made on 5 January, as I said I would. In drawing up my list of those hon. Members who may take part today I have taken into account those who spoke on 31 January, when we last debated this matter and, incidentally, how long they spoke for. If some hon. Members who spoke for 20 minutes on that occasion can cut that time down to 10 minutes on this occasion, that will be a happiness to many who failed to be called on that occasion.

I have selected the amendment in the name of the Leader of the Opposition.

4.10 pm

The Secretary of State for Transport (Mr. Nicholas Ridley): I beg to move,

That this House approves the Government's White Paper on airports policy, Cmnd. 9542.

In proposing an airports policy to the House on 5 June, I had to try to reconcile two interests which conflict. The first is the need to provide the airport capacity that is likely to be needed in each region of the country. The second is the strong views of many thousands of people living near airports about whether further development should take place in their localities. These matters had to be decided. Perhaps the worst policy of all would have been to postpone decisions.

In their 1978 White Paper, the Labour Government foreswore forcing airlines and passengers to go where they did not want to go:

"The Government rejects the suggestion that the air transport industry should be subject to the damaging restrictions on its operations which could be the outcome of the forced diversion of traffic to regional airports."

I agree with that. But by virtue of our joint rejection of that course, there is no alternative to providing more capacity in south-east England.

However the Labour party may wriggle today, in a position of responsibility it would have had to accept the logic of providing capacity in the south-east for between 72 and 79 million passengers per annum by 1995, just as the inspector did. Economic growth, foreign earnings, and, most important, jobs in the aviation industry are at stake. So is the convenience of both business and holiday travellers.

On the other hand, the Government are acutely conscious of the inconvenience, noise, and development that airports bring to their neighbours. For these reasons we have not sought to provide any more capacity than is necessary, and to phase it so that it is provided only when it is necessary. I will discuss other aspects of environmental protection later in my speech.

I particularly understand and sympathise with the worries of people living near Stansted. They have fought long and hard against a busy airport there. My hon. Friend the Member for Saffron Walden (Mr. Haselhurst) and many other hon. Friends have put their case with consistent force and skill. It is in recognition of this concern that we have restricted expansion at Stansted to the minimum necessary.

We have done our best to meet the concerns of those who really speak for Stansted. The development of the airport will be phased, with the first phase restricted to 7 million to 8 million PPA, an increment of only 5 million to 6 million on Stansted's current capacity. The growth of traffic will be gradual, the new terminal will open around 1990, but it is impossible to say when it will reach capacity. Gradual growth will make it easier for local authorities to plan supporting development which may be needed, such as housing and services, road improvements, and so on. It will help to guard against the strains imposed by rapid expansion on a relatively small community. Good and sympathetic design of the new terminal and associated developments will be very important, and I am sure that the British Airports Authority and the local planning authority, which will need to approve the detailed plans, will strive for it.

Mr. Bowen Wells (Hertford and Stortford): Can my right hon. Friend explain exactly how planning approvals will be given, in view of his statement that the expansion will be phased? Is he aware that many of my constituents would accept a phased terminal expansion—say to 4 million to 5 million PPA at the most, which is what is needed at Stansted according to the White Paper, and not between 7 million and 8 million? Is he aware, further, that the British Airports Authority made it clear to me when I visited its headquarters on Friday that it was bent on building a 15-million-PPA terminal. How will that be handled by my right hon. Friend?

Mr. Ridley: My hon. Friend seeks an assurance, which I am happy to give him. The British Airports Authority can apply for a 7 million to 8 million PPA terminal—I think that it is 50,000 sq m in area. It is again controlled by the number of air traffic movements, to which we hope the House will agree to restrict Stansted. If the authority makes detailed application — it has only outline planning permission at present—which is outside that restriction, I would expect the local planning authority to refuse it, and there is always the appeal mechanism if it does not. I assure my hon. Friend that the planning defences are there to make sure that the Government's phasing of this development is adhered to accurately.

Our proposal to impose a limit on air transport movements at the airport commensurate with the first phase of development will, I hope, provide further reassurance to my hon. Friends and to local residents about the rate of growth of traffic. The legislation, which I intend to introduce at the earliest opportunity, will provide that the limit can be raised only with the approval of Parliament, which will have to be satisfied that this is necessary to meet the demand. This mechanism will ensure direct control by Parliament over the use of the airport. We cannot now be sure of the amount of demand at any time in the future, how much can be accommodated at Heathrow, Gatwick and Luton, and, above all, how successful the regional airports will be, with the Government's help, in attracting traffic. Parliament will be able to judge all these factors.

Aircraft noise at Stansted is being significantly reduced by bans on the noisier aircraft types, and we shall seek further to reduce the impact at Stansted by improving on the current noise abatement measures, which include restrictions on night operations. There is a review of night sleep disturbance currently under way. Quiet take-off and

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landing procedures and noise preferential routes will be required. They will be supplemented with new measures, including a noise insulation grants scheme for the Stansted area.

In the light of the decision on phasing the development of the airport, British Rail will be examining the case for a rail link to Stansted. The cheapest option would be a simple spur to the Liverpool Street-Cambridge line, costing perhaps £50 million. The options will be assessed on exactly the same terms as a rail link to Manchester airport. I understand that British Rail thinks that the Stansted study could be completed by the end of this year. The Manchester study could probably be completed sooner than that, I look forward to reading them both.

Mr. Andrew F. Bennett (Denton and Reddish): The Secretary of State will be aware that some people in the Greater Manchester area are worried that British Rail may be loading the question of the Manchester airport link because of its reluctance to see people changing from train to plane to travel from Manchester to London. Will he make sure that the development of a rail link to Manchester airport is looked at in terms of its international impact rather than simply in terms of its competition with British Rail on journeys from Manchester to London?

Mr. Ridley: I shall seek to make sure of that. It is for British Rail to work out the figures and appraise the nature of the investment, but it is for me to approve it or otherwise. I shall make sure that this work is done properly. It will also be done in conjunction with Manchester city council and Manchester international airport so that they, too, can make sure that there is no suggestion—I am sure that the hon. Gentleman does not suspect that there is any such possibility—of the figures being wrongly put together.

I know there are many people in the Stansted area who oppose any more than a relatively small expansion. But there are also many who welcome the new jobs development will bring. Estimates of the number of jobs arising from expansion of the airport to a capacity of 15 million passengers per annum, both directly and indirectly, vary from 18,000 to 25,000. The inspector appeared to place more reliance on the lower figure; I have no better estimates as yet, but even on this basis it seems likely that development restricted initially to 7 million to 8 million passengers per annum would generate perhaps 10,000 jobs for the unemployed at Harlow, Braintree, Basildon, north-east London and even further afield—for instance, north-east Kent, which now enjoys good road access to the airport. Many people presently commuting to London from the area may obtain airport-related jobs. The more people from neighbouring areas take jobs there, the less will be the pressure for more housing to be provided.

My hon. Friends representing constituencies near Stansted are also concerned that low charges at Stansted might draw traffic away from the regions. This is also a fear shared by hon. Members from the north of England. For this to happen would be contrary to one of our main objectives, which is to encourage the growth of traffic at the regional airports. I assure the House that we will take the necessary steps to ensure that Stansted does not have an unfair advantage.

First, under the legislation I shall be introducing, the structure of the BAA, with seven separate companies under one holding company, will require separate accounts for each subsidiary and full financial transparency; this will inhibit cross-subsidisation. Secondly, the role of the Civil Aviation Authority, in regulating the general level of airport charges, will prevent any predatory price cutting at Stansted. Thirdly, if individal airport companies borrow from within the group or outside it, they will have to pay full commercial rates of interest. The expansion of Stansted will have to be a commercial investment. It follows that charges at the airport will need to rise steeply to meet the costs of expansion. The BAA board, since the decision on 5 June to approve the development of Stansted, has said that it will be consulting its airline customers on the increased charges required to meet the costs of providing the new capacity. The Government are determined to ensure that traffic is not attracted away from the regions by unfair competition.

Mr. Cecil Franks (Barrow and Furness): My right hon. Friend said that the structure of the British Airports Authority and the seven subsidiary companies would inhibit subsidy. Many Conservative Members would like the word "prohibit" to be substituted for the word "inhibit", for many people are very sceptical about the good faith of the British Airports Authority.

Mr. Ridley: With respect to my hon. Friend the Member for Barrow and Furness (Mr. Franks), I said that to set up seven separate companies will require separate accounts for each subsidiary and full financial transparency, but that is only part of what I said. I went on to say that we should insist—most probably through the articles of association—upon a commercial rate of interest being charged upon inter-company loans. Furthermore, the Civil Aviation Authority will supervise all charges to ensure that none of them is predatory. That is perhaps the most important measure. Any one of them, taken alone, is not adequate but, taken together, I believe that they will prove to be adequate for the purpose.

Mr. Alfred Morris (Manchester, Wythenshawe): The Secretary of State is referring to the future. Is he aware that what is happening now is a scandal? Last year, Stansted lost £3·88 million, an average subsidy of £8 per passenger. Its landing charges are one quarter of the landing charges in Manchester. Is the Secretary of State unable to take some action immediately to end that scandal?

Mr. Ridley: If the right hon. Gentleman will support the Bill which is to be placed before the House not only by his vote but by curtailing his speech, the sooner shall we have the power to do what he seeks, but in advance of that legislation I have no such power.

Mr. Robert C. Brown (Newcastle upon Tyne, North): The Secretary of State has said that he does not wish Stansted to draw traffic away from the regional airports. Will he give a categorical assurance that there will be no hidden subsidies or cross-subsidisation for Stansted?

Mr. Ridley: I have already said this at length twice, so the hon. Gentleman already has my assurance. Our policy is the reverse of Stansted being in a position to attract traffic away from the regions. Its purpose is to help to meet the growth of unavoidable demand in the south-east, not to divert traffic which would otherwise have used the regional airports.

Finally, on Stansted, we have made it clear that no second runway should be built there. I am requiring the British Airports Authority to sell all surplus land that would be needed for a second runway. Its external financing limit will be set on the basis of receiving the proceeds of sale of this land.

Mr. Gerald Howarth (Cannock and Burntwood): Will my right hon. Friend say how many international airports operate in the 1980s with one runway?

Mr. Ridley: Without notice I am unable to give to my hon. Friend the answer that he seeks, but perhaps he would answer this question: how would our airports policy fare if I were to propose second runways at the three London airports which have only one runway at present?

Mr. Tony Favell (Stockport): Will my right hon. Friend confirm, first, that the intention of the British Airports Authority is that Stansted should primarily be a charter flight airport? Secondly, how does he intend that the CAA should supervise the charging policy at Stansted? Thirdly, is there anything to prevent Stansted from making losses and also is there anything to ensure that it declares dividends to the holding companies?

Mr. Ridley: I do not confirm that the intention is that Stansted should be a charter airport. The White Paper has asked the CAA to consult all the airlines to establish what would be the right traffic distribution policy. I very much hope that the growth of scheduled services as well as charter flights will take place at Stansted. Secondly, with the information provided by separate company accounting, the CAA will undoubtedly have the power to supervise charges, both to prevent the exploitation of monopoly and to prevent predatory pricing. That is, there will be a limit both at the top and at the bottom. We shall ensure during the passage of the legislation that the powers to be made available are adequate. Thirdly, it is probable that Stansted will make losses in the early years as it develops. It is making losses already. Whether it is a separate company or whether it is part of the BAA, there still has to be the ability for it to make losses. Prestwick is also making losses. We cannot prevent a company from making losses, but we can roll up those losses in the balance sheet of the company so that it has to pay interest on them and finally redeem them when it enters a profitable period.

Mr. Anthony Steen (South Hams): Does my right hon. Friend agree that if besides privatising it we changed the management structure of the British Airports Authority we might find that no losses would be made? Will he consider changing the management of the BAA as well as privatising it?

Mr. Ridley: I have complete confidence in the management of the BAA, and it is not part of my plans to do as my hon. Friend suggests. We shall have enough on our plate with this legislation.

Mr. Lewis Carter-Jones (Eccles): Will the right hon. Gentleman give way?

Mr. Ridley: I must make a little more progress.

Mr. Carter-Jones: Perhaps the Secretary of State would give way just on this point.

Mr. Ridley: I shall give way to the hon. Member for Eccles (Mr. Carter-Jones), but after that I shall have to restrict interventions to those who have a constituency interest, otherwise I shall never finish my speech.

Mr. Carter-Jones: I am most grateful to the Secretary of State. I served, as did the Secretary of State, on the Standing Committee on the Civil Aviation Bill, which fell apart and disappeared. He mentioned that there is to be legislation. A White Paper has been published and eventually legislation will be introduced. Will he say in what way that legislation will differ from the Bill that we considered earlier this year?

Mr. Ridley: The contents of the legislation are to be found in the last chapter of the White Paper, which I am sure the hon. Gentleman has studied. The Bill will contain the proposals that were included in the Civil Aviation Bill which the Government abandoned. It will be a wider Bill than the Civil Aviation Bill, but it will include many of the same powers.

On the subject of Heathrow, I must make it clear that we have not simply postponed or fudged the building of terminal 5. I have not ruled out the possibility for all time, but I am not convinced on present forecasts that it is necessary at all. Terminal 4, which is due to open early next year, will handle some 8 million PPA. Thereafter, the major constraint at Heathrow will be runway, not terminal capacity. When the runways reach saturation in the rush hours, growth in passenger throughput at the airport can come only from spreading the traffic to off-peak periods, which is unattractive to both airlines and passengers, or from an increase in the average number of passengers carried on each flight.

During the 1970s, particularly the first half, there were substantial increases in average passenger loads per aircraft at Heathrow, resulting from the introduction of larger aircraft. That growth has slowed down in recent years. Some have suggested that rapid growth in the average number of passengers per aircraft will be resumed, once runway capacity is reached. But many of the signs point in the opposite direction.

First, it is our policy to increase competition between airlines on domestic routes and to continue pressing for more liberalisation in European markets. Secondly, commuter routes are growing in importance, with a preference for frequent services and smaller aircraft. Thirdly, we are determined to maintain access to Heathrow for services from regional airports. Fourthly, aircraft manufacturers' order books suggest that there is now less interest in bigger "stretched" aircraft for long-haul services and, indeed, more airlines are considering operating twin-engined jets across the Atlantic.

The conclusion that I draw is that growth in passengers per flight at Heathrow is likely to be relatively slow, and that it is the runways which will be the constraint. Even if I am wrong, it will be a long time before extra capacity is needed. I ask the House to support the Government's decision to abandon the 275,000 air traffic movement limit, and to allow us to go back on our undertaking. The Government tried to implement this commitment in the Civil Aviation Bill, but the House did not entirely support us.

Mr. Harry Greenway (Ealing, North): I appreciate the impossible problem that my right hon. Friend had with that Bill, from the Labour and Liberal parties and from the

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SDP, as well as from one or two of my hon. Friends. However, any decision to abandon the 275,000 flight limit will be viewed extremely seriously in west London. Will my right hon. Friend go instead for an increased number of passengers on each flight and stick as near as humanly possible to the 275,000 limit? Will he give an undertaking not to increase the number of passenger flights using Northolt?

Mr. Ridley: The market will determine the size of aircraft and the number of passengers carried. On our forecasts, it is unlikely that the number of passengers per aircraft will increase or that there will be a very great increase in the number of flights, as Heathrow is already fairly close to capacity. It would be better to let Heathrow determine how best to use its capacity to the full.

Mr. Robert McCrindle (Brentwood and Ongar): Should not my right hon. Friend turn his attention to another factor — the type of flying that is likely to become more popular as we move into the 1990s? Do not many in the aviation industry predict a far greater use of scheduled rather than charter flights? If Stansted were developed primarily as a charter airport, might not any future decision about expansion come down quite easily in favour of terminal 5?

Mr. Ridley: I have already said what the Government think about terminal 5. With an ever more competitive and free airline industry, which extends into Europe, the difference between scheduled and charter flights will probably become less and less clear. I do not want to bind any given airport or airline to a particular policy. After all, the operators know best what they want to do and where they want to go. I believe it wise to run traffic distribution policy with the lightest rein possible.

On the subject of the ATM limit, I do not quite understand the point made by the hon. Member for Crewe and Nantwich (Mrs. Dunwoody). On 5 June, she criticised me for abandoning the limit, yet on every occasion her troops voted against a Bill that would have imposed it. I should make it clear that we shall continue with the policy of restricting night flights at Heathrow. Indeed, the studies that I referred to earlier could well alleviate night disturbance there. Quieter aircraft are already beginning to alleviate the nuisance at night, as well as during the day.

Dr. Alan Glyn (Windsor and Maidenhead): My right hon. Friend has given the impression today that terminal 5 will not be constructed at Heathrow in the foreseeable future. That is in direct conflict with what the White Paper says on page 59. Furthermore, there is a widespread belief that the removal of the sludge works must be a first step towards constructing terminal 5. Will my right hon. Friend give an undertaking that terminal 5 will not be constructed in the foreseeable future?

Mr. Ridley: My hon. Friend has anticipated my comments. If the House will allow me, I shall proceed, as interventions take up too much time.

We attach the utmost importance to airline competition and liberalisation. It has already yielded substantial benefits for the passenger. It is the most effective stimulus of all for extra regional traffic. If the choice is between more passengers using Heathrow and more competition, there is no doubt that the passengers have more to gain from competition. That explains why we may not need terminal 5.

In addition, the development of Luton and Stansted will bring more runway capacity into effective use in the London airport system. It may be possible, as a result, to improve the utilisation of the existing terminals at Heathrow to cater for up to 42 million PPA, thus again reducing the need for a fifth terminal. But I accept that there are uncertainties about the mix of aircraft and the pattern of demand in the longer term, and that a fifth terminal might — I emphasise "might" — one day be needed, although possibly of lower capacity than 15 million PPA. That would not be a realistic option if the Perry Oaks site continues to be occupied by a sludge disposal facility.

The Perry Oaks works were there before the airport began to develop. They are an incongruous neighbour for the airport and I do not doubt that they would be better moved. The land they occupy would in any event provide valuable relief for the cramped Heathrow site. We have therefore asked the BAA and the Thames water authority to study the possibility of moving them, the costs, the alternative sites and methods of disposal, and the time that it would take. When those questions are answered, and we have a clearer view of how traffic will develop, we shall be in a position to assess whether there is a need for more terminal capacity.

On the question of road and rail links to Heathrow, we undertook in the White Paper to examine urgently what could be done to reduce congestion and to improve passenger access to the airport. I intend to appoint consultants to look at options for investment in the corridor between London and Heathrow. The study will cover road access by public and private transport, the Underground, and rail services. The large number of options to be considered inevitably means that this study will take some time. I am also establishing a working group, with the local authorities concerned, to look at options for traffic management in the vicinity of Heathrow.

As I said, all forecasts suggest that we need to provide capacity in the south-east for 72 million to 79 million PPA by 1995. Capacity will run short in the early 1990s. Even if we could provide a fifth terminal at Heathrow after the Perry Oaks sludge works have been moved, that would not solve the problem because it is primarily one of runway capacity. Further provision is needed at airports with spare runway capacity, which means Luton and Stansted.

Looking further ahead, south-east traffic can grow only by use of the five runways we have: two at Heathrow and one each at Gatwick, Luton and Stansted. Our policy is to make the best use of those resources. We have provided for 1995 and allowed room for expansion. We need not commit ourselves before we have to, but equally it would be senseless not to retain the capability to meet the growth in demand, if it happens. I believe that our decisions will provide the scope that our civil aviation industry needs to expand and prosper.

Our decisions have been widely welcomed by the industry, especially the independent airlines operating from regional airports. The airlines know that more capacity is needed at the London airports to provide for the growth of air traffic and the jobs that go with it. Nothing would stifle competition and damage the interests of the travelling public more than a shortage of capacity. That is why they have welcomed the Government's decisions.

Mr. Allan Roberts (Bootle) *rose*——

Mr. Ridley: I shall not give way because I must make progress. I am about to talk about the regions, so perhaps the hon. Gentleman will wait to see whether I cover his point.

Our assumptions for the capacity needed in the south-east include an appreciation of how much traffic can be attracted away from the south-east to regional and Scottish airports. It is a prime aim of our policy to seek to get more traffic to go there, for three reasons. First, it will encourage development and activity in those parts of the country. Secondly, it will serve the interests of passengers there better to fly from local airports. Thirdly, it will relieve the pressure on the south-east. That is why we will look for every possible way of encouraging more flights to regional airports. Our record, as my hon. Friend the Member for Manchester, Withington (Mr. Silvester) said on 5 June, bears witness to our determination. In the last six years we have authorised £200 million of capital investment at regional airports, compared with only £14 million in the last five years of the Labour Government. International scheduled services from Manchester now total 33—of which 14 are new this year. The figures for Birmingham are 15, of which four are new this year.

What regional airports need is more concrete flights, not more concrete. We cannot force airlines to provide unprofitable services, but we can help by pressing for more liberalisation in Europe and by promoting regional airports when we negotiate air service agreements with other countries. No one can gainsay what we have already achieved. We have indeed done far more for regional airports than the Labour Government who preceded us, and who published a White Paper with dismissive comments about

"Limited scope for diverting passengers from the London airports to those in other regions."

Imagine, therefore, the brazen nature of the Labour party's amendment today, which states:

"totally fail to foster a modern strategy for the regional airports".

Since we are the first Government to do that very thing, the hon. Lady's amendment can be described only as breathtaking.

Mr. Allan Roberts: The Minister has not dealt with the point that I wished to make—and nor has the White Paper. Nowhere is Liverpool airport mentioned—*[Interruption.]* Hon. Members may groan, but it is important to the people of Merseyside. There is great anxiety on Merseyside that the proposals in the White Paper, coupled with the Bill to abolish the Merseyside county council, will cause Liverpool airport to close. Will the Minister give an undertaking that he will protect Merseyside from that eventuality?

Mr. Ridley: Liverpool airport will belong to the joint board that will be set up after abolition. However, if the districts can agree, it could belong to them in proportion to their shareholding after abolition. The decision of what to do with Liverpool airport will rest entirely with the districts and/or the joint board. I cannot give an assurance that it will or will not close; the decision is theirs, nor mine.

Mr. Churchill (Davyhulme): May I, as a Manchester Member, say how much I appreciate the fact that since we last debated this matter in February, due to my right hon. Friend's liberalisation policy there has been a 75 per cent. increase in the number of scheduled destinations to which one can fly from Manchester? It is important to my constituents and to the north-west as a whole, and we thank him for it. We further appreciate his undertaking that landing fees at Stansted will cease to be predatory. How soon is that likely to happen?

Mr. Ridley: I am grateful to my hon. Friend. As I said earlier, the BAA board has already decided to start consultations with airlines about the increase in charges at Stansted that will be necessary. I imagine that those will come in within the reasonably near future.

The Government are committed to the development of Manchester as the major hub gateway international airport for the north of England. British Airways has begun services to New York this summer and will be adding Dubai, Bangkok and Hong Kong from November. But we have also encouraged foreign carriers to operate long-haul services from the airport—Qantas to Australia, El Al to Israel, and Singapore Airlines to the far east. We are also ready to negotiate with the United States Government the basis on which their airlines may operate direct scheduled services to Manchester, and an early date had already been fixed for these negotiations.

American Airlines wishes to begin a Chicago-Manchester service next summer. I hope that the negotiations with the United States Government, which could pave the way for other United States airline services, can be speedily and satisfactorily concluded. Manchester International Airport is being fully consulted about these negotiations. We have established a good working relationship with MIA and are discussing with its management a five-year plan for increasing the range of international services. We have already asked for work to be put in hand to assess the viability of a joint rail link to Manchester airport.

I think that that meets 95 per cent. of the demands of the North of England Regional Consortium—a limited development at Stansted, fair competition on airport charges, and positive policies for developing traffic to and from regional airports. But it has also asked for free access to regional airports for foreign carriers. That particular suggestion is not in its best interests. There are indeed advantages in services by foreign airlines, but a reasonable price must be paid by foreign Governments in return in the form of new rights for United Kingdom airlines or a more liberal agreement between us.

Even the United States, with its liberal policies and competitive aviation industry, insists on a satisfactory quid pro quo for its airlines, and so will we. To give up in advance any advantage we can obtain in negotiations for British aviation interests would be the worst possible deal, particularly for the regions.

The reason for that is simple. More jobs at any airport derive from the services flown by United Kingdom airlines than by foreign-based airlines which centre their operations overseas. The key to the development of regional airports is a strong network of services by British Airlines and the creation of local hubs, locally-based airline support services and local employment. We must strengthen their position, not damage their commercial prospects. The role of foreign airlines is important, but complementary.

These proposals have been welcomed by regional airports. Manchester airport welcomed our White Paper. The chief executive described it on television as:

[Mr. Ridley]

"Good news for Manchester and good news for job prospects in the North West".

Even the northern consortium, formed by northern local authorities, stated that the White Paper:

"may form the basis for the kind of development of regional airports which we would have liked to have seen after the 1978 White Paper".

It called for an assurance that the Government and their successors would honour the White Paper's commitments. As long as this Government and this party are in office, it has that assurance.

So why did the hon. Lady call the White Paper a "slap in the face for regional airports"?—[*Official Report*, 5 June 1985; Vol. 80, c. 312.]

Why did the hon. Member for Burnley (Mr. Pike) describe it as a "kick in the teeth"? Why did the hon. Member for Bradford, West (Mr. Madden) describe it as a "hammer blow" to the regions, or the hon. Member for Denton and Reddish say that most people in Greater Manchester would be "disgusted"? The same day, the *Manchester Evening News* carried the banner headline, "Boosts for Ringway". Evidently Opposition Members are not even in touch with opinion in the North.

Just as we seek to encourage more direct services from Manchester to meet the demand in its catchment area, so we seek more direct services from the Scottish airports to meet Scottish demand. We will encourage new long-haul transatlantic services to Scotland, and more direct services to European destinations from Glasgow, Edinburgh and Aberdeen. Glasgow and Edinburgh have done very well in attracting new services; Glasgow now has scheduled services to 10 international destinations, three of them new this year, while Edinburgh serves six European destinations, two of them new this year.

I have recently confirmed the present traffic distribution policy. We now look to the BAA to develop Prestwick as Scotland's gateway international airport for long-haul services, by exploiting Scotland's undoubted attractions for tourism and by providing services to assist its important new businesses. Prestwick, as a separate airport company, will probably operate at a loss initially, but I hope that it can be brought into profit very shortly. Our proposals give Prestwick a new opportunity to thrive.

These are our measures aimed at providing additional capacity in the south-east and encouraging more flights from regional and Scottish airports. Time allows me to deal only briefly with our proposals to privatise BAA and convert the major local authority airports into companies. We will have opportunities enough to discuss these proposals during the passage of the legislation.

These policies are complementary to our general aviation policy of encouraging airline competition, leading to an efficient industry providing a cheap and attractive service to consumers. We need to provide the country with an efficient and enterprising airports system responsive to the needs of airlines and their customers. Selling the BAA and imposing company disciplines on local authority airports will, I believe, meet this objective.

It is interesting that, apart from the hon. Member for Crewe and Nantwich, no hon. Member on 5 June questioned the decisions to privatise the BAA and to make the local authority airports into public limited companies. There are arguments we can have about whether the BAA should be privatised in one or two or seven airports. But they will arise in debating the legislation, as I said, and I believe that we have the right answer. I also assure the Liberal party that there will be adequate proposals for regulating these airports and their changes as described in the White Paper, and I say that in view of the amendment which stands in the names of Liberal and SDP Members.

I believe that the policy described in the White Paper will provide the right framework for the expansion of our civil aviation industry, that it will allow enough, but not excessive, airport capacity to be built, and that it will cause the least possible disturbance to those who are adversely affected by airport development. I commend it to the House.

4.52 pm

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): I beg to move, to leave out from "House" to the end of the Question and to add instead thereof:

"declines to approve a White Paper which encourages a form of further airport development in the south east of England which will disadvantage many of the local communities, inflict damage on the local environment, deny necessary public investment to other parts of the country, increase the gross economic imbalance between the north and south of the United Kingdom and totally fail to foster a modern strategy for regional airports."

We have an opportunity with the new Civil Aviation Bill to set the airports pattern for the 1990s, which is a matter of enormous importance to the nation, not just because of the trade implications, but because of the social and environmental questions which we must address. It is essential that in doing our sums we are told clearly why it is necessary to develop airports in various parts of the country.

Just prior to December, the Secretary of State introduced a Civil Aviation Bill. It was concerned with only two aspects of airports development. First, it asked those in the area around Heathrow to accept that the right hon. Gentleman intended to break a solemn undertaking that he had given them to protect their environment. Secondly, the measure dealt in an extremely superficial way with the problems of the possible development of Stansted airport.

Mr. Jeremy Hanley (Richmond and Barnes): Why, if Labour Members were so keen to impose a 275,000 ATM limit, did the hon. Lady request members of the Standing Committee considering the Civil Aviation Bill to vote against the sittings motion, because if that had been approved the 275,000 limit would have been introduced? Labour Members and the Liberal Member of that Committee agreed to her request.

Mrs. Dunwoody: It was an appallingly bad Bill in every other respect — *[Interruption.]* Unlike Conservative Members, I am happy to abandon bad legislation. I repeat that the Secretary of State gave a solemn undertaking to keep air transport movements controlled at Heathrow. The latest plans seek to abandon that commitment.

The Secretary of State is suffering from a credibility problem. He says in the White Paper on the one hand that he intends to abandon the undertaking given to those living near Heathrow, while on the other he tells those living near Stansted that they have his solemn undertaking to use air transport movements to protect them in the future. That is extraordinary.

Mr. John Wilkinson (Ruislip-Northwood): Is the hon. Lady aware that if the Labour party seeks to impose an

arbitrary air transport movement limit of 275,000 a year at Heathrow—and we are already at that point—that will do away with jobs in the area?

Mrs. Dunwoody: In the south-east of England we are facing difficulties at Heathrow and Gatwick in that both are already close to their maximum usage. Air transport movements will not of themselves determine the way in which airports are usefully used in future.

We should be considering the infrastructure at Heathrow and the full implications of any suggestion to build terminal 5. The Government should make it clear that they have no intention of studying road and rail links without announcing what can be done to make life more tolerable for those living in the vicinity of airports.

The Secretary of State says that it is his intention that the Perry Oaks works at Heathrow should be moved and that there should be a survey as soon as possible— *[Interruption.]* By implication, he has made it clear that the extra land around Heathrow is needed. While he has said that he does not intend to build terminal 5, he believes that the crowded situation there makes it essential that any extra land should be rapidly developed. That is a clear indication that even if terminal 5 is not built the extra land that will be released by the moving of the Perry Oaks works will be used for airport development. That would put still further pressure on the area, when it is already suffering considerably from aircraft movements.

The Secretary of State tells us that because aeroplanes are becoming smaller there will in the future be less noise. If that is his view, why has he rejected the inspector's recommendation that further noise restrictions should be introduced by 1 January 1986? The right hon. Gentleman claims that that would be an expensive and unnecessary restriction on airlines. How can we take him seriously? If he genuinely believes what he says, he could take steps quickly to improve conditions for those living in the vicinity of Heathrow.

When the studies have been completed, particularly if it is suggested that British Rail should carry out developments affecting Heathrow and Manchester, will the right hon. Gentleman offer the BR board additional money to finance those considerable developments? If he intends, after surveys have been carried out, that BR should find the cash for those developments from within its own resources, there will be automatic cuts elsewhere in the country in BR services. The right hon. Gentleman should make the position clear about that.

Mr. Toby Jessel (Twickenham): Before the hon. Lady leaves the subject of Heathrow, will she confirm, as she told the House clearly on 13 December 1984, that the Labour party does not welcome the idea that there should be a fifth terminal at Heathrow?

Mrs. Dunwoody: I had not left the subject of Heathrow, and I was about to address myself precisely to the issue which the hon. Gentleman has raised. I believe that there is no room for a fifth terminal at Heathrow. If one were introduced, I do not believe that it would improve the airport's facilities. Heathrow's capacity, in common with that of Gatwick and other south-east airports, must be considered carefully. I note that STOLport is dismissed in the White Paper in one paragraph. There is little indication of the effect that its development would have on the number of passengers coming into the south-east.

Mr. Steen: I know that the hon. Lady is a regular user of Heathrow, because I met her over the weekend in one of the Heathrow terminals.

Mrs. Dunwoody: Only briefly.

Mr. Steen: It seems that the hon. Lady is working herself up to a frenzy unnecessarily. She has based her argument on a false premise, and she has developed her argument to a point at which she has become extremely excited. However, she will find when she reads her remarks that she is agreeing with my right hon. Friend the Secretary of State. She would do well to read the White Paper carefully. She is supporting my right hon. Friend in nearly everything that she is saying, and making a terrible mistake.

Mrs. Dunwoody: One should never give way to the intervention-happy hon. Member for South Hams (Mr. Steen), who knows as much about airports as he does about buses in his constituency.

The Secretary of State is proposing to remove the ceilings on air traffic movements as one means of containing movements at Heathrow, and he has other proposals. It is important to realise that the White Paper suggests that there should be some control over airline slots. Is it seriously suggested that in future major airlines will be able to barter their slots one with another and sell their positions in the timetable? If so, the Secretary of State must know that many of his remarks about the expansion of domestic flights into Heathrow are so much nonsense. We want to see some understanding of the fact that a very small development of Stansted would enable the south-east more than to contain the growth that is envisaged either in the inspector's figures or elsewhere.

Mr. Bowen Wells: Hear, hear.

Mrs. Dunwoody: The Opposition would have been prepared to accept up to 5 million PPA at Stansted. That would have created an airport which would not have been larger than regional airports, which would not have caused unnecessary difficulty and which would not have required massive public investment, which is a matter which concerns us, as such expenditure will have a direct influence on the amount of public expenditure that is available in the regions. However, the Secretary of State says, in effect, "I know that we have had our problems, but in future you may trust us. It is our intention to allow only a small development at Stansted." But he talks about 7 million and 8 million PPA which are far larger numbers than those handled at an average regional airport. He adds that it will be his intention that any development should be phased. If right hon. and hon. Members and their constituents imagine that any development at Stansted will remain at the figures quoted in the White Paper, they are more naive than I can possibly believe. If there is phased development to enable Stansted to handle 15 million PPA, I can assure the House that the airport's capacity will rapidly drift upwards to 25 million PPA. That will mean that Stansted will have all the developments of another major airport in the south-east, with all that that implies for the rest of the country.

Mr. Matthew Parris (Derbyshire, West): How is it possible to argue both that demand for airports in the south-east is quite modest and can easily be satisfied with

[Mr. Matthew Parris]

modest expansion, and that as soon as facilities are in place at south-eastern airports demand for them will expand, and expand to the consternation of all local residents?

Mrs. Dunwoody: The Opposition have never said that air traffic movement demand is modest. We have said that there is a conscious way in which Governments direct traffic. Governments offer incentives. For example, they provide money. In their negotiating procedures they offer ways in which independent international airlines can obtain benefits. However, we are told by the Government that we are to take on trust the word of a Minister who gave solemn undertakings to those in the Heathrow area and who now intends to break them without so much as a by-your-leave.

The White Paper does not address itself seriously to the implications of the STOLport development. How is it that the Secretary of State can say that he expects STOLport to expand only to the extent of being able to deal with 1 million PPA when it is likely that if STOLport is to be viable it will have to handle 4 million PPA? If that happens, there will be a large extension of the traffic with the European airlines and we shall then find ourselves, possibly in a very short period, with excess airport capacity in the south-east. That should greatly concern the Secretary of State.

We are told that Manchester should be delighted with what it finds in the White Paper because it offers the airport many opportunities. Let us consider what is intended for it. Manchester has always been regarded as an international gateway airport, and that is the way in which it should develop. The Secretary of State has taken credit for the number of extra lines that are now flying into Manchester. At the beginning of the year, when there were considerable difficulties for Singapore Airlines, there was little evidence that he intended to do what he could to develop the activities of Manchester airport. There was far more evidence that it was his intention to try to restrict international development in the north-west.

Mr. Ridley: The Singapore Government first applied for the route to Manchester on 20 March. We could not respond to any suggestion from Singapore until an official suggestion was made. When that suggestion was made, it was dealt with in six weeks, which is about the quickest settlement of an international arrangement that has ever been made, especially one involving Manchester.

Mr. Peter Snape (West Bromwich, East): That is misleading, and the Secretary of State knows it.

Mrs. Dunwoody: As I understand it, Singapore Airlines had been turned down twice, and the right hon. Gentleman's suggestion that the application was made later in the year seems rather spurious. It was made clear to Singapore Airlines that it would not be allowed to go into Manchester. It was only after a considerable campaign in the House and elsewhere that the Secretary of State felt that he had to give way. It was clear that that was his attitude from the beginning.

In the White Paper, the Government pose a far more serious threat to the regions. Paragraph 6.28 makes it clear, by implication, that the Government see Manchester as a major international regional airport. The Secretary of State did not use that phrase today, but a similar one appears in the White Paper. There are two key phrases elsewhere that must be taken into account when we are considering the Government's intentions. The Government state that they wish

"to encourage the liberalisation of air services wherever foreign competition is fair and British interests are not prejudiced."

That appears in paragraph 6.6.

The White Paper states:

"increased access by foreign airlines to UK airports should be balanced by parallel improvements in access, of equivalent value, for UK airlines to that country."

On the face of it, that seems to be a perfectly reasonable statement, until one realises that it could be used by the Government to restrict international flights into regional airports.

What will happen when, or if, British Airways becomes a private company? There seems to be some doubt about this privatisation, if one believes the reports in the Sunday newspapers about how the Secretary of State is "not amused" when his colleagues treat his efforts in the same way as he treats state assets and try to get their fingers on any available profits. If BA is privatised, it will become one of the private airlines and, presumably, will not be given precedence over other airlines in the name of the national interest. If that is so, it is a total negation of everything that the Secretary of State has preached to the House since taking office.

If Manchester airport is offered expansion to accept flights by European airlines and is told that there will be restrictions on other developments in the south-east, we shall be able to note how genuine are the undertakings given in the White Paper to regional airports. If the Government really wished to give positive support, there would not, for example, be an implied threat that if Prestwick does not become viable by 1989 it will be closed. The White Paper glibly talks about the fact that many people would like to fly into Glasgow and Edinburgh, but it also says that Prestwick will be retained, provided that it becomes viable by 1989. If that is the Government's intention, they should spell it out in considerable detail. They should not leave the Scots to find out that the Government intend not to protect Prestwick as a gateway international airport, but to leave it to sink or swim as a result of the interim arrangements.

One of the most extraordinary parts of the White Paper is the section devoted to privatisation. We are told that the British Airports Authority will be sold off as a single entity and made into a limited company which will be able to expand into non-airport activities. We are told also that one reason for the change is the fact that the company will be able to attract senior management with a much higher level of expertise.

The Secretary of State has rejected all those arguments in relation to the National Bus Company which he is now putting forward in relation to BAA. If the right hon. Gentleman genuinely believes that it is necessary to bring in extra finance, why does he not allow BAA to remain within the public sector and to seek finance elsewhere? There has never been any shortage of financiers anxious to put money into viable units. What is the magic which says that, somehow, we must sell off the British Airports Authority as one unit? The Government say, "Of course, we shall insist that it is broken down into seven individual companies and insist on the transparency of their accounts, but, nevertheless, we must keep them all together."

Has the Secretary of State never heard of creative accounting? Has he of all people never heard of accountants who manage to move money from one company to another?

Mr. Nicholas Soames (Crawley): Will the hon. Lady give way?

Mrs. Dunwoody: The Secretary of State has given his colleagues a clear understanding that when BAA is privatised there will be no difficulty with transfer charging or cross-subsidisation. He has said that when all the clear sets of accounts are available it will not be possible to subsidise landing fees at Stansted. I say to all of you on the opposite side of the House — [HON. MEMBERS: "Oh."] Mr. Deputy Speaker, I know that you are well aware that anyone who is naive enough to believe that accountants are not capable of cooking the books has no place in this House. Stansted will receive exactly the degree of cross-subsidisation that is necessary to make it viable for the first five years of its life.

Mr. Soames: The hon. Lady is always fascinating. Will she lift the veil a little more? To what does she really object in relation to the privatisation of the British Airports Authority?

Mrs. Dunwoody: I would not want to take up too much time. I believe that privatisation is unnecessary and will lead to gross incompetence. It is an extraordinary decision in view of the fact that BAA is doing a very good job. Privatisation is a clumsy mechanism. The White Paper says that the sale of BAA will provide a means of controlling the various flights. Why is it necessary, on the one hand, to sell off the BAA and, on the other, to ask for legislation to perform the duties that are easily performed at present by the combination of the Civil Aviation Authority and BAA with the Secretary of State? The reason is the prejudice of the Secretaryof State against any efficient state organisation. The right hon. Gentleman gives no evidence for believing that BAA is not doing a good job. He simply says that privatisation must take place.

Several Hon. Members *rose*——

Mrs. Dunwoody: I must continue.

Will the Secretary of State give some evidence that local authority airports are not doing an efficient job? He acknowledges that they are doing an efficient job by saying that they are major businesses, some of which have a turnover of more than £1 million. However, he simply says, "The reason why I do not wish to retain local authority airports is that they should not be run with a committee." He gives no evidence to show that the passengers, the airlines or aircraft users in general are dissatisfied with the present position. Indeed, he would have great difficulty in trying to obtain that evidence, because local authority airports have developed efficiently and have provided high-quality facilities. Every year that passes shows that they not only are welcome to the passengers but are responding to the great needs in their areas. If an organisation is efficient, well run and has elected representatives involved in it, that is a sufficient reason for the Secretary of State to insist on selling it off.

The Secretary of State says that he does not intend asking for powers to force local authorities to sell their involvement in the airports. He says that he intends merely to create companies which are at one remove from the local authorities and to ask them to invite private enterprise in the form of concessionaires or shareholders. The White Paper suggests that any finance required in the future must come from sources other than the state. Taking that factor into account, and the fact that the local authorities will be rate capped, one realises what the Secretary of State is talking about when he says that he intends encouraging local authorities to divest themselves of these involvements. His idea of encouragement is pistol-whipping in another form.

The White Paper shows clearly that the Government are not prepared to be honest with the House of Commons. They have not only asked for more development at Stansted than they need, but they have made it clear that, by favouring massive changes at Heathrow, there will be further development there. They have not given any indication that they will stick to their undertakings on terminal 5. It is their intention to force major changes on the British Airports Authority, without any justification whatever. It is their intention to change the pattern of local authority development in Britain. Above all, yet again it is their intention to put more and more money into the south-east.

I wonder whether the Secretary of State yet understands how deeply the rest of the country resents his policies.

Mr. David Sumberg (Bury, South): Will the hon. Lady give way?

Mrs. Dunwoody: I wonder whether the Secretary of State understands that to come here and talk about the creation of 10,000 extra jobs in the Stansted area, the building of 17,000 houses, or the investment of £1,400 million, proves to the rest of the country that his true interest is not in a properly balanced transport policy, and least of all is it in any properly balanced financial development for any area outside the south-east.

Mr. Sumberg *rose*——

Mrs. Dunwoody: We know that the Secretary of State has in mind what he has always had in mind from the moment that he took office — to create a transport system which is not integrated, in which any private enterprise organisation which can get any benefit from state assets will be positively encouraged and where the passenger will be the very last person that can concern him.

It is a messy White Paper. It breaks the Secretary of State's undertakings. It asks for faith, which he will not find forthcoming from a House of Commons which has been disappointed more than once. I assure the right hon. Gentleman that the electorate will take a very clear view of the way in which he has conned them.

5.21 pm

Sir Humphrey Atkins (Spelthorne): Predictably, the hon. Member for Crewe and Nantwich (Mrs. Dunwoody) spent a good part of her speech in attacking my right hon. Friend the Secretary of State for Transport. We knew that she would do that. Unfortunately, almost all of her attack went astray because she based it on inaccuracies. She attributed words to my right hon. Friend that he did not use, she misread what was in the White Paper, and she gave the impression of not having mastered her subject very well. I know that she will forgive me if I say that her attack lacked the force that it might otherwise have had.

[Sir Humphrey Atkins]

I had hoped during the hon. Lady's speech to hear what is the Labour party's policy on airports. I think I understood it. It is that it would do nothing to develop Heathrow, either by having more flights or another terminal; that it would restrict development at Stansted to 5 million passengers; and that it would therefore encourage the growth of air traffic elsewhere. However, the hon. Lady asserted that air traffic will not increase much over the next 10 or 20 years. If she really believes that, I counsel her to read Mr. Graham Eyre's report. She would get much benefit from reading it, because both Mr. Eyre and the White Paper disagree with her assertion.

If, on the other hand, the hon. Lady thinks that air traffic will increase, there is only one way in which people can be made to go to Manchester and other airports, and that is by direction. The hon. Lady used the word. I should like her to tell the House whether there has been——

Mr. Allan Roberts: Will the right hon. Gentleman give way?

Sir Humphrey Atkins: No.

Will the hon. Lady be good enough to confirm that the Labour party's policy on airports is the same now as it was in 1978? In 1978 the Labour Government's White Paper rejected

"the suggestion that the air transport industry should be subject to the damaging restrictions on its operations which would be the outcome of the forced diversion of traffic to regional airports".

Is that what the Labour party believes? If not, the hon. Lady is talking nonsense, is she not? *[Interruption.]* Perhaps we shall hear at the end of the debate.

Mrs. Dunwoody: The Secretary of State is fond of quoting from a constructive document that was prepared by the previous Labour Government. What is clear is that there was felt to be no requirement for or possibility of a new airport, and the decision to abandon Maplin was reaffirmed. In addition, there was no intention to go beyond 4 million passengers or four terminals. That was clear and I have confirmed it today.

We do not want five terminals at Heathrow, nor do we believe that there should be any breaking of the undertaking given to the House of Commons.

Sir Humphrey Atkins: The hon. Lady's whole case seems to be based on her belief that air passenger traffic will not grow. If it grows, and passengers want to be able to use terminals in the south-east——

Mr. Allan Roberts: Will the right hon. Gentleman give way?

Sir Humphrey Atkins: No, I am dealing with the hon. Lady—either passengers must be allowed to do so or they must be forced to go somewhere else. We shall no doubt hear the point developed further in speeches from the Opposition Benches, and I shall be interested to hear them.

Mr. Allan Roberts *rose*——

Sir Humphrey Atkins: I think that the hon. Gentleman is likely to be called. No doubt he will make a powerful speech, to which we shall all listen with great interest. I hope to be fairly short to enable him to do that.

I express my thanks to my right hon. Friend the Secretary of State for Transport and to my hon. Friend the Minister for Housing and Construction for having refused the application by the Uttlesford district council to develop terminal 5 at Heathrow. Obviously, the Secretary of State had an impossible job to do. He had to seek to reconcile the interests of the airlines, of the airport operators, of the passengers, and of those who live in the immediate vicinity of airports. As everyone knows, those interests are very different from each other. Clearly, my right hon. Friend has not wholly pleased everybody—indeed, I do not believe that anybody could do that — but I congratulate my right hon. Friend on his decision. I also congratulate my right hon. Friend on listening to the people who know what they are talking about. Obviously, he listened to the airlines and to the other organisations involved, but he also listened to the representatives of people.

I was astonished—as, I am sure, were some of my hon. Friends—to be told by British Airways that it had conducted a survey which showed that the residents of areas immediately round Heathrow backed terminal 5; in fact, it produced a newspaper saying "Residents back fifth terminal". British Airways sent me—and probably some of my hon. Friends — a breakdown of what it had discovered. I was most interested to learn that it had consulted 26 of my constituents. Dr. Gallup's polls are well known, but I think that he made a major error on this occasion.

I represent over 70,000 people and have sought to make it my business to find out what they think. I can tell my right hon. Friend and the House that the enormous amount of correspondence that I have received from individuals —plus the representations of over a dozen voluntary organisations, between them representing thousands of people, and of every elected member of the borough council and the county council, Conservative and Labour — expressed the same view, which was the direct opposite of what British Airways said, basing its assumption on having talked to 26 people whom I represent.

I counsel British Airways—for whom I have much respect; it runs a very good airline—to stick to the business it knows and to leave the business of finding out what people think to Members of Parliament and others who know how to do it.

I am pleased that my right hon. Friend the Secretary of State has taken on board the fact that the problem at Heathrow is more of runway capacity than of terminal capacity. Indeed, the White Paper says that. The capacity of the runways is not completely clear, but it depends obviously on the spread of aircraft, and to some extent on their size. I understand that the larger aircraft must be further apart because of the turbulence that they produce in the air behind them.

There is an interesting table in section 4 of the White Paper showing that Heathrow's maximum capacity is currently about 300,000 passenger air transport movements a year decreasing, in about 15 years' time, to about the present level. Therefore, as my right hon. Friend has clearly demonstrated, the need for extra terminal capacity depends entirely on the loading of the aircraft. My right hon. Friend gave a figure of 112 per aircraft at the moment. If the limit in, say, 10 years is to be, as the White Paper says, 280,000 movements then to require the ability to move 53 million passengers, which is what terminal 5 would provide, would need a loading of 192 in each aircraft. I do not believe that that will happen because

—my right hon. Friend mentioned this as well—over recent years the increase in movement of aeroplanes at Heathrow has been in the smaller ones.

That development has come with the shuttle services to Glasgow, Edinburgh and Belfast. It is clear that the traveller to any of those cities wants to be able to say, "I should like to get into a 'plane at 9, 10, 11 or 12 o'clock, whichever I choose", rather than to be told by the airline operator, "There is a jumbo jet at 9 o'clock and 4 o'clock and you must go in one of those." The airlines must provide what the passengers want, and, therefore, if the passengers want the frequency of service that they appear to have demanded over the past few years, the numbers per aeroplane will not rise that high. That is why I believe my right hon. Friend is correct to be cautious about the need for further development after about 1995. The White Paper says — I think everyone will agree with this — that forecasting is notoriously difficult. The forecasts contained in the 1978 White Paper mentioned by the hon. Member for Crewe and Nantwich about the number of passengers in 1984 proved to be wrong. I do not blame her for that. Forecasts tend to be wrong and therefore my right hon. Friend is correct to go ahead only with what seems to be needed now and not to try to look into the year 2000 or beyond, because such forecasting is so speculative as to become unreal.

I am pleased that a study is being undertaken of the access to Heathrow by road and rail. I do not need to tell hon. Members about the difficulties of going to and from Heathrow by road at the busiest times of the day. The Cromwell road, the flyovers, the M4 and the approach tunnel become completely blocked at various times of the day. The journey can be and frequently is a misery. In Mr. Graham Eyre's report there was a clear indication that it would be difficult to improve that access. I am sure that it could be done, but it will turn out to be difficult and expensive.

The Underground is undoubtedly of enormous benefit to Heathrow, but in the long term there must be improvements especially if there are to be more passengers. The journey takes longer than that to Gatwick. Another difficulty is that it is not easy for people with luggage. The accommodation for people with luggage is not good in the trains or on the platforms. People travelling to Heathrow with luggage find greater difficulty than, for example, on the Victoria to Gatwick service. The rail service to Heathrow would need to be an overground service run by British Rail. That would be enormously expensive. However, my right hon. Friend will study those matters, and I hope that the House will be made aware of the outcome of the studies, because I should like to see it.

The general level of noise and the level of noise at night worry anyone who lives near an airport. The number of aeroplanes and their age affect the amount of noise. Those whom I represent wonder why the Secretary of State is prepared to announce now that he will limit the number of aeroplanes allowed to use Stansted whilst removing the limit on the number of planes allowed to use Heathrow. I notice two things, however. My right hon. Friend has no legal power to control that at present, but will seek it. I should like an assurance from my hon. Friend the Under-Secretary when he replies that when the Bill is introduced it will be so drawn that my right hon. Friend will have the power to impose a limit at Heathrow and other airports if he so wishes. Such a power would of course be subject to discussion in the House.

I should like to suggest——

Mr. Snape: How does the right hon. Gentleman equate that power of veto by the Secretary of State with the Secretary of State's avowed desire to flog all our profitable airports to the British Airports Authority in its privatised form?

Sir Humphrey Atkins: It is possible to have the power to regulate the number of movements at an airport even if one does not own it, as the legislation will make clear.

I should like to make a suggestion to my right hon. Friend about noise. I understand that he proposes not to seek to enforce the 275,000 voluntary limit which is in force at Heathrow. I should like—I am sure everyone would think this reasonable—any increase in the limit to be tied to the decrease in the noise of the aeroplane. We are all aware that the Trident is to go at the end of this year, and that foreign non-noise certificated aeroplanes will be allowed to continue until 1988. We should urge my right hon. Friend not to respond to any propositions made to him to extend the date for the non-noise certificated foreign aeroplanes, and, secondly, only to increase the number of aircraft movements as those aeroplanes are phased out and further improvements in noise are made. He owes that to the people who live around Heathrow and other airports. I should like my hon. Friend to tell us when he replies that my right hon. Friend will seek to marry those two steps.

Mr. Wilkinson *rose*——

Sir Humphrey Atkins: My hon. Friend wishes to intervene but I have not finished the point that I was making. On the subject of night noise, I am pleased to see that a study of the type of noise that wakes people—that is not the phrase used, but that is what the study is about—is now being conducted by civil servants. That is encouraging.

I suggest that when that study is complete the movement of aircraft at night should be regulated under the new legislation. Furthermore, under that legislation penalties for breaches of the legislation should be substantially more severe than they are at the moment. For an airline breaking the minimum noise route agreements or making more noise than it should and not following take-off procedures properly, the penalties are small. The penalty should be severe for any airline that breaks the noise arrangements and disturbs those people who live around airports.

Mr. Wilkinson: I am grateful to my right hon. Friend for his courtesy. I am interrupting only because I believe that his well-argued speech contained one deficiency. Does he agree that over the past 10 years there has been a marked reduction in the amount of noise disturbance around Heathrow? That is a measurably demonstrable fact, and is due to the high bypass ratio of the turbo-fans coming into service. The trend will continue, and with the introduction in 1986 and 1988 of the new noise regulations to which he has referred the question of noise will become less important. Will he therefore recognise that fact by not seeking to impose an arbitrary ban on aircraft movements into Heathrow, because the reduction in noise has taken place while the movements into Heathrow have grown?

Sir Humphrey Atkins: I shall not do that for a good reason, as my hon. Friend will understand. On page 39 of the White Paper is a table showing the area affected by various levels of noise. If he reads the table he will find

[Sir Humphrey Atkins]

that noise in the areas most affected—that is at the higher level of the noise and number index—has been reduced much less than anywhere else. Many of the people affected are those whom I represent, so I shall not agree with my hon. Friend.

Mrs. Dunwoody: Will the right hon. Gentleman address himself to page 40 of the White Paper, which makes it clear that the inspector recommended noise limits and that noise monitoring procedures should be reviewed, to introduce lower limits on 1 January 1986? The next paragraph makes it clear that the Government have refused to do that.

Sir Humphrey Atkins: I am arguing specifically about the amount of noise suffered by those living near airports. If aeroplanes make less noise, it does not matter so much if there are more of them. To be fair to my right hon. Friend the Secretary of State, he introduced legislation into the House to give him the power to impose a limit of 275,000 ATM. He did not get that through the House, partly because of the activities of the hon. Member for Crewe and Nantwich.

Mr. Hanley: And the Liberals.

Sir Humphrey Atkins: Indeed—and some of my hon. Friends.

As my right hon. Friend has given up trying to impose that limit because he does not think that he will get it through, I am suggesting that any increase should be tied to the introduction of quieter aeroplanes. I think that that is a reasonable proposition.

Most of what I have said has related to Heathrow, but I believe that many of the points that I have made affect other parts of the country, most notably Stansted, which have, or will have, similar problems to those endured by my constituents over many years. I shall not attempt to argue their case—they will do that much better than me—but, given the satisfactory answers to the questions that I have posed to my right hon. Friend, I am glad to support the White Paper.

5.43 pm

Mr. Stephen Ross (Isle of Wight): I should like to call attention to the amendment on the Order Paper in my name and the names of my right hon. and hon. Friends.

I agree with the point made by the right hon. Member for Spelthorne (Sir H. Atkins) about public transport access to Heathrow. It is a serious matter, and I hope to deal with it later.

I should like to start by putting on record the decisions taken by the Government in the White Paper that we welcome. The STOLport decision was taken before the White Paper was published, but it appears in it. That is an imaginative proposal. I welcome the fact that the way is now clear for the development to proceed, and I wish it every success. Despite the noise of helicopters, it is also important to find a permanent site for a heliport in the City.

I also welcome the abandonment of the 275,000 air transport movements limit, with which the right hon. Member for Spelthorne does not agree. The Secretary of State should express his gratitude to the Standing Committee for getting him off that hook. The right hon. Member for Spelthorne referred to the fact that some of us had not studied Mr. Graham Eyre's report. Mr. Eyre made it clear that he thought that the 275,000 limit was absolute nonsense. We did not see how we could pass opposing legislation when that report was before us. Therefore, I believe that the right decision has now been taken and that the House, for once, helped bring that about.

The most important aspect of the decision to abandon the 275,000 limit is that it should continue to ensure access to Heathrow for the smaller independent British airlines, which badly need to link up with the international routes if they are to survive and prosper. I still regret the fact that the Secretary of State did not implement the Civil Aviation Authority recommendations in full last autumn, which would have obliged British Airways to surrender more of its routes and given the independents a greater opportunity to expand. However, I suspect that the promise of rolling down to Rio with Lord King proved too great a temptation.

I also welcome the decision on the Perry Oaks sewage works. Whatever the future needs of Heathrow, it makes sense to get rid of those sewage works. Therefore, I commend the proposals in paragraph 5.15 to set the wheels in motion. It enables us to keep our options open on the future expansion of our principal airport.

I now come to the points of disagreement with the policy document. It is, of course, a typical political compromise. How one can claim that one intends to restrict Stansted to 8 million PPA when at the same time one gives outline planning consent for 15 million is beyond my comprehension. I am a chartered surveyor, and I have had to deal with people who have had outline planning consent, then failed to obtain detailed consent and found themselves in difficulty. They usually received substantial compensation if they found that they were being deliberately blocked by a local authority, and more likely consent would be given. A privatised British Airports Authority will exploit its assets to the maximum, so to suggest that 8 million would be the limit of expansion is rather dishonest.

I recall the Secretary of State's comments when his decisions were leaked to the press some three weeks before the publication of the White Paper. They do not do him much credit, as he said that the people of Stansted were being alarmed unnecessarily, if I remember his words correctly, although I am quoting them from memory.

By his action, the Secretary of State has made the task of the regional airports to expand that much more difficult. The rail link to Manchester should be a firm commitment now. It should not just be up to British Rail to survey it and come up with a report in about six months, although I am glad to hear that it is likely to come before Christmas. If we could have a firm commitment that the rail link will be built, that would give the airport a tremendous boost and perhaps encourage one of our independents to establish its main base at Manchester, for that is what I believe Manchester desperately needs. Manchester would then join Gatwick and Birmingham, and they would be the only three major airports that I know of with truly integrated transport systems providing through-routes to many parts of the country.

Mr. McCrindle: I return to the view of the Liberal party on Stansted. I am not sure whether I entirely follow the hon. Gentleman's remarks. He spoke disparagingly about the attempt to impose a limit of 8 million PPA, but does that mean that he would prefer a limit of 15 million for the expansion of Stansted, or would he prefer 25

million? Alternatively, is he telling us that the Liberals would entertain no expansion at all? It was not clear from his remarks.

Mr. Ross: The hon. Gentleman should read my speech of 30 January, when I made it clear that we are in favour of the expansion of Stansted to 5 million. We believe that the rest of the expansion should be taken up by the regional airports. We look upon Stansted as a form of regional airport, not as a third London airport. There should be a 5 million limit. I hope that that is clear.

Mr. McCrindle: If 8 million is unrealistic and the hon. Gentleman is criticising the Government for attempting to restrain expansion to that level, why is 5 million more realistic?

Mr. Ross: Because the Government have given outline planning consent for 15 million. The British Airports Authority, being privatised, will make full use of that planning consent. It would be mad if it did not. Stansted will go to 15 million, because the consent has already been given.

Mr. Soames: The hon. Gentleman has just thought of that.

Mr. Ross: I said it earlier in my speech. I shall see the hon. Gentleman outside afterwards.

The Piccadilly line into Heathrow leaves a great deal to be desired. As the right hon. Member for Spelthorne said, it is slow, uncomfortable and inadequate. Instead of inviting British Rail to consider various propositions, the Secretary of State should instruct BR to produce a firm scheme and provide the necessary finance for a direct rail link into Heathrow.

I was pleased to see Prestwick mentioned in the White Paper. It might have a future if it had a rail link.

Schiphol already has one rail link, and by June 1986 it will be able to offer rail connections throughout the Netherlands and even further afield. We live in an overcrowded island which cries out for good public transport. Why have we been so slow off the mark? Heathrow should have been connected to the British Rail network years ago. However, there are still no firm plans for that.

My party and I also disagree with the proposed privatisation of the British Airports Authority. I went with the Select Committee on Transport to Japan and the United States last year, and I believe that we published a worthwhile report. We recommended the type of structure which the Secretary of State has approved, though we felt that the Scottish airports could probably manage their own affairs.

Nevertheless, I accept that there are strong arguments for keeping the seven airports together, not least the promotional aspects, and in providing a career structure and retaining the expertise of the people running large airports. Therefore, I do not object to that decision, but privatising the lot is dangerous and unnecessary. The fact that the Secretary of State concedes that tougher regulations will be necessary surely means that even he appreciates the dangers.

With 80 per cent. of all our air passenger traffic, BAA represents a huge monopoly, now public, but soon to be private. Sell 49 per cent., perhaps; raise bonds, as they do in Japan and the United States; but do not sell overall control. I do not know of any large commercial airfield in the Western world that is not in some form of public ownership — whether owned by the Government, a municipality, or, as in New York, a port authority.

I give the Secretary of State credit for leaving our municipally-owned airports alone and allowing them to make their own decisions about their future ownership. No one who gave evidence to the Select Committee had anything but praise for the local authority-owned airports.

Those who desperately want Britain to succeed accept that our airports and airlines need every encouragement. On the whole, they are a success story, and we do not have too many such stories these days. However, I still believe that we have given too much to one dominant airline and are about to concede too much to one airport authority and to one area of the country — the south-east. A much more determined effort to build up two or three of our regional airports, of which Manchester is the prime example, could have been made. That will now become more difficult, which is why my hon. Friends and I will vote against the policy document.

5.53 pm

Mr. Alan Haselhurst (Saffron Walden): This is undoubtedly a clever package. It is likely to secure the approval of the House and it blurs many of the issues sufficiently so that the Government keep all their options open; it is indeed a skilful exercise.

However, this is also a disturbing package. I recall that on 30 January, 70 of my right hon. and hon. Friends voted against the principle of massive expansion at Stansted and that nearly 100 of my right hon. and hon. Friends declared in an early-day motion that they did not particularly relish that prospect. I have greatly appreciated their support in the pressures that have undoubtedly helped to achieve a better result than might otherwise have been obtained.

Yet, we seem to be getting what we did not want. The decision on the planning application is a fait accompli. Many might think that north-west Essex was an overwhelmingly inappropriate place for London's third airport, but the decision has been confirmed and the environmental arguments have been swept aside with no more than a few ritualistic sentences.

I cannot help being disturbed—I may not be alone in this complaint—by the fact that two previous inquiries that considered the matter in depth have been set aside. That is a poor reflection on the procedures that we adopt in this country.

The House might also understand my grieving for the memory of my predecessors at Saffron Walden, Lord Butler, and Sir Peter Kirk, who fought strenuously on this issue. I do not want to be too disagreeable, but I had to give notice to my right hon. Friend the Member for Brighton, Pavilion (Mr. Amery) that I would refer to something that he said on the television programme "Panorama" and virtually repeated in the House recently. He said that when the question of Stansted was taken to Cabinet,

> "Rab Butler was a bit unhappy about it because he thought it would interfere with his shoot . . . he had a good shoot near Stansted and he thought it would upset the, pheasants and their shooting possibility but he was a big man and he waived that objection aside."

That remark has been taken extremely badly by the Butler family and by the people living in Saffron Walden. First, it is factually inaccurate to say that there is a pheasant shoot near Stansted. There might have been a

[Mr. Alan Haselhurst]

shoot near Stanstead hall, the residence of Lord Butler, but that is 30 miles from the airport. We shall not be able to prove until 1992 exactly what Lord Butler said in Cabinet, but it is unfortunate that my right hon. Friend the Member for Pavilion made that remark. It would have been better left unsaid.

I have been told that I must be realistic about the issue. I hope that I have always been realistic. I have never taken the narrow view. I have always tried to understand the Government's difficulties and to recognise the interests of our civil air transport industry. I believed that there was a better way of meeting the national interest and I hope that my right hon. Friend the Secretary of State will acknowledge that I went well beyond any constituency brief in the views that I put to the Government when seeking a reasonable accommondation.

It may be said that I helped to secure a retreat from the prospect of a 50 million passenger airport at Stansted, but my constituents and I still face the prospect of an airport with 15 million passenger capacity, which many of us believe to be excessive.

What is the constituency brief that I should hold? I am thought of as being anti-Stansted. The sub-titles of the "Panorama" programme referred to me as the leader of the anti-Stansted group. That is an example of the shorthand way in which the issue has been considered over the years and that approach has not helped to ensure rational discussion.

It is not a question of being for or anti-Stansted. My Conservative association in Saffron Walden has favoured limited development to 4 million or 5 million passengers a year. The North-West Essex and East Hertfordshire Preservation Association, a well-established local body, favours expansion to 4 million passengers. The argument has been about how much expansion would be appropriate. The Gallup poll found a majority of 68 per cent. for limited development, and the concept of limited development is one for which I have always stood.

However, if it is possible to get a consensus on the meaning of limited development, which is difficult enough, it is an enormous problem to get any limit to stick. How can one guarantee a stopping point between zero and 25 million passengers per annum, which is the capacity of a single runway? That difficulty fuels the fears about any package that the Government ask us to accept. So what is wrong with the Government's clever package? First, the environmental threat remains. I am not sure that the planners will be able to preserve the area in the way that the Government urge them to do. Will the planners get firm backing from the Government for their decision?

Secondly, I believe that the capacity is being provided in the wrong place. The arguments set out for London area capacity in paragraph 4.9 of the White Paper would be all very well if one read "Heathrow" for "London". That is what interlining is all about. Passengers will not be persuaded away from Schiphol and Frankfurt if they have to be bussed round the M25 from one London airport to another. That is why the industry will press for terminal 5.

Thirdly, do the Government sincerely want to help the regions? There has been a plethora of new routes, but they can be taken away. History shows that that can happen. Much is said in the White Paper about the needs of the regions, but will they be bankable assurances in two or three years' time?

The Government promise extra support for Manchester, for example, in the bilateral negotiations. The White Paper refers to increased emphasis on the attractions of Manchester. I wonder how far that will carry weight in the hard political discussions between Governments about permanent routes for Manchester and other regional airports. Certainly, Birmingham international airport is sceptical about what is to be done.

When I talk to British Rail I worry because of its concern about how it will serve its customers who come from the midlands or the north to Stansted and not merely from Stansted to London. If British Rail is thinking in such terms, the Government should accept that many others still believe that Stansted airport will siphon business from the regions.

I criticise, but what would I do? I believe that the development of Stansted would have been better on the north-west side of the runway, where there are existing facilities. It would be possible to concede a generous part of the application site area to ensure that the site is large enough. When I attempted to put that view, I encountered all sorts of legal obscurantism and a new attachment to the public inquiry system. If the Government had held that same attachment during the previous inquiries they would not be in this difficulty. We are now told that the public inquiry system is the best of systems and that we must do nothing to traduce it.

When I suggested that it would be possible for the planning application to be turned down and for the Government to introduce a special development order in the House outlining their exact policy, I was told that that was impossible for legal reasons. The legal reasons were never given.

I put a case to the Government — that of Essex county council *v.* the Minister of Housing and Local Government 1967. That seemed to demonstrate, to the satisfaction of the best legal minds that I could contact, that the Government in their policy decisions were completely uninhibited and that they would not have been at risk of being taken to the High Court. I cannot understand their fear of the High Court. The Secretary of State has certainly been no stranger to it in his tenure of office. An extraordinary degree of obfuscation has been applied to something on which the House could have been allowed to take a decision. Instead, today we are discussing a White Paper about a planning application and a decision. By developing the west side of the runway at Stansted there would be more environmental protection and a physical limitation on the expansion beyond a certain level.

Terminal 5 will have to go ahead. That will upset some of my right hon. and hon. Friends, although perhaps not their constituents. I quarrel with my right hon. Friend the Member for Spelthorne (Sir H. Atkins) who complained about the basis upon which opinion polls are taken. Samples might be small but they have been taken in my constituency, too. I am surprised that my right hon. and hon. Friends who guard the Heathrow interest are entirely happy with the package. The air transport movement limit has gone — rightly. The door is still open to a fifth terminal. The site at Perry Oaks is not being considered for use as a dance hall—we can be sure of that. In view of the promises made by previous Governments about

Stansted, which seem to have disappeared, I would not be too confident about what might happen if I were in their shoes.

The Secretary of State's figleaf is runway capacity. It is difficult to forecast the future and the Secretary of State this afternoon generously recognised the uncertainty. However, between the two or three assorted paragraphs in the White Paper and the closely argued details in chapters 5 and 7 of the Eyre report, I have no doubt which I prefer. Mr. Eyre's detailed arguments have not been set aside. He had the benefit of all the inputs in determining whether terminal capacity or runway capacity was the restraining factor. He decided that terminal capacity was the restraining factor. Nothing in the White Paper disproves that.

The White Paper contains a contradiction. On the one hand, paragraph 5.10 says that

"as the proportion of larger aircraft using the airport increases".

On the other hand, it is said that because of the likelihood of more domestic operators wanting runway slots, the rate of growth in the average number of passengers per aircraft is likely to be reduced. The uncertainty is demonstrated in two sentences in the same paragraph of the White Paper. The more careful, factual analysis was done by Mr. Eyre who has the benefit of the CAA to advise him.

Apart from that, I ask the House whether it sounds right to swing from the view expressed by the inspector, that another terminal at Heathrow would provide 15 million extra capacity, to the Secretary of State's view that it could not provide any extra capacity. There must be some point between nil and 15 million in such an uncertain business where a compromise can be found. The White Paper is unconvincing on that matter. The politics involved in foreign airlines suggests that that might well prove to be right and that they will not give up too many slots in favour of smaller airlines.

Mr. Bowen Wells: Does my hon. Friend agree that if the number and size of aircraft landing become smaller, landings will become more frequent and that, therefore, there will be a greater need for stands to which those aircraft can go? Does he accept that whether one considers bigger airports or smaller aircraft extra terminal capacity and stands for the aircraft will be required?

Mr. Haselhurst: That is absolutely right. The White Paper acknowledges the case for putting the Perry Oaks land inside the airport, to improve the airport's design, if not its capacity.

The Government should have a firmer tourist policy to help the regions. The Government should do more than "look to" airlines and tour operators to develop tourist traffic starting or finishing at regional airports, as the Green Paper suggests in paragraph 6.21. It is too easy to continue the bias towards the south-east. Why on earth should surcharges be imposed for travelling from Manchester or Birmingham? If surcharges were not imposed, perhaps the market would distribute the traffic differently.

The White Paper makes no suggestion for the diversion factor in the number of people who are lured from south-east airports because of extra services at Manchester and the regions. Some people who might otherwise use south-east airports perhaps could be satisfied by the facilities in the regions.

What will be the effect of my proposals? In the short term Heathrow would have a capacity of 42 million—the new fashionably high figure. Gatwick would have a capacity of 23 million—the fashionably low figure. Luton would have a capacity of 5 million, and Stansted 5 million. That adds up to 75 million, assuming that the present optimistic forecasts are correct. I do not think that such targets will be met. I believe that it is possible to find another way of dealing with the problem.

In the long term, terminal 5 could add 10 million more passengers for Heathrow and on the north-west side of the runway at Stansted a further 5 million could be accommodated, if that were necessary. That would meet the forecasts for the year 2000—again, assuming that the forecast is accurate. It would be foolish to forecast beyond that.

I would do one more thing. I would separate Stansted from the other London airports. The White Paper does not go far enough here. Many of my right hon. and hon. Friends would prefer the Government to go further in legislation to create competition between airports. In paragraph 9.2 the Government admit that the BAA enjoys a near monopoly. That says it all for those of us who have experience of this subject. Not everyone takes the roseate view that the BAA operates the best airports in the world. A little competition would be no bad thing.

Things could have been done differently and the Government's own criteria might have been better met in the process. I accept that things might also have been worse. So much is left open in the White Paper that almost anything could happen, so my constituents should not despair, but some points should have been left less open. Heaven knows, the Government have had long enough to think about it. The inquiry lasted 258 days and a further half year has passed since the report reached Ministers' desks.

I ask the Government to make a firm statement about protection of the environment and support for the local authorities. The BAA should not be the sole determining force for the new safeguarded area. That is setting rabbits to guard lettuce. Essex county council should also have a say in that determination. The BAA should be committed to the sale of the presently safeguarded land which it does not need. It is not enough for the Government to "expect" the authority to get rid of that land. We need a guarantee. There should also be an agreement between the BAA and Essex county council that there will be no second runway. As Mr. Eyre stated, such an agreement would supplement the Government's unequivocal declaration of intent. Moreover, if the Government think that the site has high quality road links around it, as suggested in paragraph 5.29 of the White Paper, and that £2 million is enough to put everything right, they should come out and have a look as soon as possible because it will take a good deal more money than that.

I welcome the proposals on noise compensation. I hope that the question of possible purchase of affected property will be given urgent consideration because many houses outside the immediate area of application are extremely vulnerable to noise disturbance. The BAA has been throwing money around purchasing other properties, so I hope that the Government will ensure that anyone in a difficult position will be able to get out of it.

The potential for this package to go wrong influences me against it overall. It goes against what so many have fought to defend over a long period. With a maximum capacity of 7 million to 8 million passengers per annum, the project could be contained and the disturbance

[Mr. Haselhurst]

balanced against the jobs and prosperity that an expanded airport might bring, but above that limit it may not be possible. If the Government will give a guarantee that the capacity cannot be extended beyond that limit, I will vote with the Government today, but without that assurance I shall have to decline to do so. I hope that by their further actions the Government will recognise the real aviation needs of this country as I have tried to define them, will understand the concern for the environment and will be sympathetic to the social and unemployment problem of the regions and thus cause the lower limit that they have set for Stansted to endure in practice and not be breached.

6.12 pm

Mr. Alfred Morris (Manchester, Wythenshawe): The hon. Member for Saffron Walden (Mr. Haselhurst) has made a brave and distinguished parliamentary speech, one which I shall long remember with admiration. I congratulate the hon. Gentleman not just on the power and eloquence of his advocacy, but on his constancy and sincerity in what has been a deeply worrying time for him.

When we debated the Eyre report on 30 January, 70 Conservative Members defied the Government by voting with the Opposition at the end of the debate. It was one of the biggest revolts against any Government by their own parliamentary supporters since May 1940. From all parts of the House there was almost total condemnation of the proposal to develop Stansted as London's third airport. There was also unprecedented cross-party support for an airports policy which, by reducing regional disparities, and more especially those between the northern regions and the south-east, would help to unite what was and still is a divided nation.

Neither the fundamental issues nor the context have changed since our debate in January. The north is every bit as stricken by depression as it was then. The arguments for discriminating in its favour in any debate about where to direct new investment are even stronger now than they were four and a half months ago. While some 5 per cent. of people are out of work around Stansted, there are unemployment rates of more than 40 per cent. in many parts of the north of England. Male unemployment rates of more than 60 per cent. are common place and more than two thirds of the under-25s are out of work in localities all over the north.

Against that background, northern Members of Parliament, if they are to act in good faith toward the communities they represent in the House — indeed if they are to represent them at all in any meaningful sense —have to insist that any new investment must go where it can do most good in reducing the deep and increasingly dangerous divide between north and south in Britain today. If the Secretary of State questions the depth of that divide, let him spend one day in Eccles and the next in Esher; one day in Failsworth and the next in Farnham; one day in Wythenshawe and the next in Windsor; one day in Salford and the next in Stansted.

I have two interests to declare in this debate. First, Manchester international airport is in my constituency. Secondly, I chair the all-party group of right hon. and hon. Members which liaises with NOERC, the North of England Regional Consortium. I receive no financial reward from the consortium, which speaks for 19 major local authorities in the north, and for millions of people of all political persuasions and of none, who came together to oppose the ill-conceived and unnecessary plan to develop Stansted as London's third airport.

On 12 June NOERC met in emergency session to discuss the Government's White Paper. While recognising the consortium's success in forcing the Secretary of State drastically to modify the proposals made to the inquiry by the BAA, which were largely endorsed by the Eyre report, the outcome was an expression of deep concern that the Government had missed an opportunity to respond to the urgent national need to reduce the north-south divide.

Mr. Sumberg: Will the hon. Gentleman give way?

Mr. Morris: I am extremely sorry, and I apologise to the hon. Gentleman, but out of respect for the many others who wish to take part in the debate I regret that I cannot give way.

I have here three weighty documents published by NOERC documenting regional disparities in Britain today. They are well argued, objective and of compelling relevance to any debate about airports policy. Why has not the Secretary of State responded to them? It is the Government's failure even to comment on these three important documents which prompts NOERC's anxiety that the limited expansion of Stansted, announced by the Secretary of State on 5 June, is only the start of a remorseless expansion of that airport into one of the biggest in the world. To give the House the flavour of NOERC's reaction to the White Paper, I quote from a statement which followed its meeting on 12 June. It states:

"The framework proposed for the development of regional airports is at the present time only words. The Consortium wants these words translated into action."

I put it strongly to the House that we must judge the adequacy of the White Paper on a basis similar to that of our judgment of the Eyre report in January. I emphasise again that neither the fundamental issues nor the context have changed. The issues are, first, the need to ensure that any response to the Eyre report takes account of the economic and social disparities between the regions of this country; secondly, the issue whether the development of Stansted on the scale proposed is necessary and in the wider national interest; and, thirdly, whether practical steps are being taken to enable our regional airports to fulfil the role the Government envisage for them.

Although it was never made explicit, Whitehall's policy for years has been simply to let the south-east grow. The unemployed of the north were urged to get on their bikes to search for jobs, presumably in the south-east as there are precious few to spare anywhere else. *The Sunday Times* of 28 April—in a "Memo to Maggie"—advised the Prime Minister:

"To tell Patrick Jenkin . . . to amend the planning legislation to allow further growth in the South-East".

The basis for that advice was a recent survey indicating that the south-east is where 60 per cent. of new firms want to be.

Reading that call for the further "south-easternisation" of this country, I was reminded of how J. B. Priestley summed it all up when he journeyed, also at a time of deep depression, through the England of 50 years ago. He wrote:

"For generations this blackened North toiled and moiled so that England should be rich and the City of London a great power in the World but now this North is half derelict and its people, living on in queer ugly places, are bewildered and unhappy."

The north's reaction to what is now happening is not only one of bewilderment and unhappiness. There is increasing anger in the north. No longer is it prepared to lie down as the dole queues lengthen and while more and more of its young people are consigned from school to scrapheap. The need for new decisions on airports policy provided an opportunity for the Government to offer hope to the people of the north and to show that their needs and aspirations are understood and appreciated. Any appraisal of the White Paper shows that this opportunity has been missed. This is not only a disappointment, but a tragedy. Last week the consortium was unanimous in calling on the Government to provide time for an early and wide-ranging parliamentary debate on regional disparities.

The proposal to develop Stansted has become the symbol of the divisions that beset this country today. The Government's response to the Eyre report is seen as crucially important to the northern region as a whole. Of course, the Secretary of State's decision to expand the airport to one of 7 million to 8 million PPA could have been worse. Had it not been for the working together of northern Members of Parliament of all parties, and the tireless exertions of the hon. Member for Saffron Walden and others on the environmental issue, I am sure that we would now be debating a decision to proceed with all haste to an expansion of Stansted to 15 million PPA as recommended by the Eyre report. I am just as sure that we would now be contemplating a continuation of the cross-subsidy which Stansted presently enjoys from the duty free shop at Heathrow.

It has been put to me that, because of the policy changes that our campaigning has achieved, we should now be grateful for small mercies and accept the Government's decision. Indeed, as the House knows, the White Paper had a mixed reception in the north on the day of its publication. We are so used to being kicked in the teeth that when we are politely hit over the head instead, as on 5 June, it generates enthusiasm that our message might at last be getting through.

Let this House be in no doubt, however, of the north's very deep concern that new resources and, therefore, new jobs are now being channelled into the prosperous south-east. For the south-east there are easily quantifiable gains in the White Paper. For the north there are as yet only words. For the south-east, a huge new investment is planned that will give at least 10,000 new jobs in the short term to an area of virtually full employment. Such an investment insults and further embitters the dole queues of the north, and we now call for an unequivocal assurance that the increase to 7 million to 8 million PPA at Stansted is the absolute ceiling on its expansion.

On the question of subsidy to Stansted, I welcome the Minister's statement earlier today, which went further than his reply to the hon. Member for Manchester, Withington (Mr. Silvester) on 5 June. The White Paper talks of the need to "inhibit" subsidy. Let me make it crystal clear: we want the subsidising of Stansted not just to be inhibited but totally eliminated. Moreover, we insist on fair competition soon.

When the BAA, either in its present or restructured form, puts forward its Stansted investment strategy to the Government for appraisal, we will expect to see the strategy published so that it can be subjected to the widest possible parliamentary and public scrutiny.

I end my remarks on Stansted with one final point. On 30 January I pointed out that CAA surveys classify passengers on the basis of where their journeys began on the day of the survey. The cumulative effect is that regional passengers who travel to London, or incoming tourists from abroad who are forced to use London's airports despite the fact that they spend little or no time there, are counted as south-east passengers. NOERC has shown that if the places of residence of British passengers and the places where foreign visitors spent the greatest number of nights are taken into account, the proportion of people using London's airports who originate from the south-east, or are tourists going to the south-east, is reduced from 80 per cent. — the figure which the BAA and the Government have been using for years — to around 70 per cent.

The Secretary of State agreed in the House on 5 June that the 80 per cent. figure was out of date and said that it was now 75 per cent. I shall not take the matter further today, except to ask the right hon. Gentleman whether his 75 per cent. figure has been applied to the demand planning values put forward in the Eyre report in order to ascertain the extent to which demand at London has been overstated. As this was a subject on which he was allowed to throw dust in the eyes of viewers of the BBC's "Newsnight" programme on 5 June, I hope that he will not try to evade my question.

Mr. Ridley: I am happy to respond to the right hon. Gentleman. It would perhaps be wiser if he put the figures round the other way; in other words, instead of 75 per cent. of passengers originating in the south-east, 25 per cent. originated elsewhere. The point is the same, but it might help the right hon. Gentleman to understand.

The right hon. Gentleman may be aware that of those 25 per cent., only about 5 per cent. originate from the north, more than 5 per cent. fom the south-west, and a large number from East Anglia, Wales and other parts of the country in respect of which Manchester would not be the suitable airport. The right hon. Gentleman should therefore analyse the figures given in the White Paper. He will be able to ascertain the origins and destinations of all the various groups of passengers, and he will realise that it does not strengthen his case to quote such figures.

Mr. Morris: My question to him concerned the demand planning values put forward in the Eyre report. I hope that the right hon. Gentleman will at least now agree it is wholly wrong that millions of people should have to catch London-bound trains in order to fly to foreign destinations.

The White Paper is said by the Minister to reflect a more positive and realistic view of the contribution that regional airports can make to air transport to and from this country. As always, the proof of the pudding will be in the eating. There will be many tests of the Government's sincerity, and some will come very soon. The outcome of every application for a new airline to fly to a regional airport will be a test of their sincerity and of the White Paper. We shall carefully monitor the Government's response every step of the way. I must emphasise that the process will not start next year. It starts now.

The Government cannot be allowed to treat the development of a policy for regional airports as a mere paper exercise. Solid commitment is called for from Ministers and civil servants alike. It also requires positive mechanisms to turn precepts into practice, and we shall insist that they be put in place urgently.

[Mr. Morris]

It is grossly unsatisfactory for the White Paper, in paragraph 6.21, to acknowledge the potential for regional tourism and simply to conclude that, when opportunities exist, the Government will look to airlines and tour operators to develop tourist traffic starting or finishing at regional airports. This does not go nearly far enough, and fails to take any account of the Government's present policy of promoting only London abroad. There is a clear need to look at the structure of the tourist industry, and I ask the Secretary of State to ensure that this is done, urgently and in some depth, either as part of the inquiry headed by Lord Young or in some other way.

Their long-term potential will not be achieved until the Government commit themselves to an "open skies" policy for the regional airports. Ministerial commitment would then be there for all to see, including the airlines. There is no indication in the White Paper that this has been considered, nor is there any hint of provision, which would greatly improve viability, for duty-free facilities at all airports that desire them. Will the Minister comment on that in his reply and on the need to protect access to Heathrow for the smaller regional airports? How does he respond to the urgent plea for a mechanism for reviewing licensing decisions, and other appropriate issues, to test the consistency of the Government's commitment to the development of regional airports?

This debate marks a further chapter in the long and hard-fought campaign by NOERC and its parliamentary supporters in all parts of the House to ensure that the "Case for the North" is both heard and fully understood. The consortium has been abused by a tidal wave of propaganda from the BAA. It was forced to fight an inquiry which was neither sensitive enough nor even equipped to consider the issues NOERC was raising. Yet the consortium has some outstanding achievements to its credit, and I want in particular today to pay warm tribute to John Gunnell, Roger Taylor and Howard Bernstein who, among others, have served NOERC with such distinction. Never before has the case for the regional airports been so effectively made. Never before have local interests, or political differences, been set so completely on one side, enabling councils to join in common cause throughout the north.

The north has been roused. It will no longer lie down and allow the process of "south-easternisation" to go unchallenged. That is the most important achievement of our campaign. It is now understood that only by acting together can we ensure that our case is properly made and heard. The Government must now be warned that we no longer have any intention of being good losers.

6.30 pm

Mr. Tony Favell (Stockport): The centre of my constituency is 10 minutes by road from Manchester international airport and it lies directly beneath the main flight path. The House will remember that not many years ago an airliner crashed on Stockport when approaching the airport. Despite the proximity of the airport, and despite the fact that it lies directly beneath the flight path, Stockport is desperately anxious for the expansion of Manchester. Unlike people in the fortunate south, the people of Stockport, and the whole of the north-west, welcome a noisy sky, because for them it means jobs and increased prosperity. I fear that this White Paper will mean a quieter sky in the north-west. For that reason, I regret that I shall not be joining my right hon. Friend in the Lobby.

Mr. Sumberg: Before my hon. Friend decides to take that rather radical course of action, will he bear in mind the following fact? When the White Paper was announced, Gil Thompson, the director of the Manchester airport authority, and Roger Taylor, the town clerk of the city of Manchester, to whom reference has already been made, publicly came out in favour of the White Paper and said it was a good deal for Manchester and that it had their support.

Mr. Favell: I shall bear that fact in mind, and I welcome the great support that my right hon. Friend the Secretary of State has given to the scheduled traffic at Manchester, and his efforts to improve it. However, as my right hon. Friend knows, I am concerned about four fifths of Manchester's business—charter flights. Some 82 per cent. of Manchester airport's passengers travel on charter flights. The BAA has made it abundantly clear that Stansted is planned as a charter flight airport. It is the BAA's intention to build up scheduled flight activity at Heathrow and Gatwick and to encourage charter flight traffic to move to Stansted, just as it moved the charter flights out of Heathrow and into Gatwick in the 1960s and 1970s. History is about to repeat itself, except that this time charter flight traffic will move from Gatwick to Stansted because of the BAA's ambition to build a second hub at Gatwick.

A large dedicated leisure airport north of London is bound to attract traffic from the regional airports, because for charter airlines big is beautiful. It is not a question of where the passengers want to go but of where the airlines want to go. A family going on its annual holiday to the Mediterranean has to fly from the airport offered by its package tour operator, not from the airport of its choice. Many of us from the north have made long treks to Gatwick, not because we want to travel from Gatwick but because the charter flight operator serving the package tour operator goes from Gatwick. In recent years, even Luton has been losing business to Gatwick, not because people north of London want to travel to Gatwick, but because the airlines have chosen to operate from there.

However, as the terminal catering for 15 million passengers a year is built at Stansted, the charter flight operators will be attracted there. In particular, the BAA will make sure that they go there, just as it moved them out of Heathrow 20 years ago.

Airlines will be attracted not just from the south-east but from the north and the midlands. As Dan Air stated in a recent press release:

> "Flights a distance away from an operator's base must increase costs and problems with crews as a result of longer duty hours away from base."

Charter flight operators want to operate from their base and once their base is moved to Stansted flights will move from Birmingham, East Midlands, Leeds and Bradford and Manchester airports.

I repeat that 82 per cent. of Manchester's passengers travel on unscheduled flights. At Leeds and Bradford, 73 per cent. of the passengers do so, at Birmingham 74 per cent. and at Luton 99 per cent. That is where the big business is. It is this business that the BAA wants to attract. I fear that it will do so with its monster leisure airport north of London—Stansted.

6.38 pm

Mr. Donald Stewart (Western Isles): At the outset, I state clearly that I believe that this policy document, as the right hon. Member for Manchester, Wythenshawe (Mr. Morris) said, is written from a south of England point of view and is detrimental to the interests of Scotland, the north of England and Wales. I shall be outlining examples to highlight this point, dealing mostly with the Scottish aspect.

Even the introduction to the report makes its perspective clear. The report originated because of the Heathrow and Stansted development issues. It states:

"The Inspector was invited to consider wider airports issues than the two applications before him. . . . The Government is publishing this White Paper to explain its response on these wider matters and to set its decisions on the London airports in the context of an airports policy for the country as a whole."

In section 2, the report identifies that nearly two thirds of the United Kingdom's foreign visitors arrive by air. Tourism is one of our most successful growth industries, and it does Scotland no good that so many potential visitors are directed to the south of England as their point of entry to the United Kingdom. Likewise, the inflow and outflow of goods to the United Kingdom is heavily concentrated on one airport — three-quarters of our visible trade in 1984 passed through Heathrow.

These facts emphasise the quite unacceptable economic centralisation that we have. There is no doubt that the south-east will wish to retain the advantage, and if the development at Stansted goes ahead, plus a further extension to Heathrow, there is no doubt that this cornering of the market will be retained.

As around a quarter of the international passengers using the London airports have their origins or destinations outwith the south-east, it makes sense to put a priority on the development of international services from other airports instead of investing in further developments from the south-east. However, the Government are worried that this will lead to inconvenience and extra cost for some people in the south-east who might, in future, have to use airports outwith the south-east to fly internationally. I put it to them that that is exactly what travellers from outwith the south-east have had to suffer for many years. But the Government do not seem to be concerned about the extra cost and inconvenience to people from Scotland or the north of England as long as they can bolster the stranglehold of the south-east on international air traffic.

In 1978, Scottish airports handled only 4·5 per cent. of United Kingdom international air passenger movements. By 1983, the figure had risen to about 5·2 per cent. That is a welcome increase, but it is not nearly good enough, especially when an excellent airport such as Prestwick remains grossly under-utilised at about 16 per cent. of capacity.

The report tells us that international services are possible on some 1,500 routes from the so-called "regional airports", but only about 100 routes are being operated. The recommendations in the report will do nothing to change the situation. They may even exacerbate it.

It is noticeable that, if the interests of the south-east are at stake, the Government will rush in to be helpful. In the case of Stansted, they are keen to provide a fast rail link. In the case of Heathrow, they may go ahead with a new British Rail service similar to the one between Victoria and Gatwick. However, Prestwick is a different case because it is in Scotland. We have been pressing for a fast rail link between Prestwick and Glasgow for years to help the development of the airport. Without that, it is at a real disadvantage. Only now do the Government mention the possibility of opening a station on the Glasgow-Ayr line and, even then, there is no clear commitment that the type of fast link necessary will be provided.

Mr. Jim Craigen (Glasgow, Maryhill): I agree with the right hon. Gentleman about the rail halt at Prestwick, and I have myself made the point before. However, does not he agree that the Scottish tourist board should be involved in the discussion of this matter? There is no point is simply relying on the institution of a rail halt without added backup from the Scottish tourist board.

Mr. Stewart: I agree with the right hon. Gentleman. It is surprising that the tourist board has not been active in assisting those authorities and Members of Parliament who have pressed for that rail link. The absence of a rail link pinpoints the fact that no effort is spared for the south-east, and that the other international airports in the country can look after themselves.

Prestwick is supposed to be one of the three gateway airports at present. But that is an empty phrase without the commitment and the finance to ensure its development. Were it not for the political embarrassment that would be caused to the Secretary of State, who is the right hon. Member for Ayr (Mr. Younger), I think that the Government would have let Prestwick go down the drain. They are not really bothered about developing international air traffic to and from Scotland, and they should not pretend otherwise.

The Scottish National party would like all airports in Scotland to be controlled by a publicly owned Scottish airports authority. If the Government are determined to press ahead with the privatisation of the airports, we shall want the Scottish airports to be sold off as a separate concern.

We believe that Prestwick must remain Scotland's gateway for all transantlantic flights until such time as its utilisation reaches a high level. I have already mentioned the importance of establishing a direct fast rail link to Glasgow, but road links must also be improved, and air feeder services to Aberdeen, Dundee and Edinburgh should be developed.

Overall, the problems and opportunities facing Scotland's airports must be treated in a Scottish context. We are fed up with being treated as just a regional offshoot. That simply will not do.

The CAA-controlled airports in the Highlands and Islands must be treated as a special case. Only Balivanich received a serious bid for takeover, and that was from the Western Isles council. No one seriously wanted to buy the others. Because of the economic and social position in the Highlands and Islands, thanks to the policies of successive British Governments, it is necessary to consider these airports in a different light from others until such time as they may become profitable.

I mention in passing that among the silly decisions being made by the Government is the idea of deregulating the air services in the Highlands and Islands. The two firms operating there, British Airways and Loganair, are working virtually on a shoestring. The British Airways part is in the black for the first time. To allow competition on these routes is ludicrous and will be to the detriment of the area.

[Mr. Stewart]

Many organisations in Scotland, apart from my party, are completely opposed to the further development of London's airports at our expense. They include Lothian region, Glasgow district, the district councils in Ayrshire, the Scottish tourist board and the Scottish Council for Development and Industry. The North of England Regional Consortium is also bitterly opposed to further expansion in the south-east, and so it should be.

But it is also worth mentioning that it seems to me from correspondence that I have received that most people in Hertfordshire and Essex do not want Stansted and most people in west London do not want a fifth terminal at Heathrow.

Mr. Terry Dicks (Hayes and Harlington): Not so.

Mr. Stewart: I am referring to evidence that I get in my mail from people in these areas. Why are the Government so determined to press ahead with these developments? The people in west London were given an assurance that air transport movements at Heathrow would be limited to 275,000 per annum. Now the Government want cynically to break that promise. They are now making promises to the people in Essex about the limits to which Stansted will be developed. I tell people in Essex to believe the Government at their own risk.

Tonight, the House has the opportunity to accept or to reject the proposals in the report. I believe that all hon. Members representing constituencies in Scotland, the north of England and Wales, regardless of party, should stand up for their areas and reject the report.

6.46 pm

Mr. Nicholas Soames (Crawley): The right hon. Member for Western Isles (Mr. Stewart) is deeply ungrateful. The largesse distributed by this Government to his constituency and elsewhere in Scotland is breathtaking. Every other constituency in Britain would be grateful for similar assistance.

I must declare an interest, in that I am the Member of Parliament who represents Gatwick airport as well as the British Airports Authority. Therefore, I have a number of different interests in the debate.

I am one of those who wish to congratulate my right hon. Friend the Secretary of State on what I consider to be a first-class White Paper. It is pragmatic, coherent and clever, and I thank my right hon. Friend on behalf of all those who live near Gatwick airport and in the rest of West Sussex. The fact that there will not be a second runway at Gatwick is a great relief to my constituents and those of other hon. Members who live and work near the airport.

Mr. Carter-Jones: The hon. Member for Crawley (Mr. Soames) is the one man in the Chamber who is right to be pleased with the Secretary of State. The right hon. Gentleman has given him everything that he wanted. There cannot be a second runway at Gatwick, because the second terminal has blocked it. The hon. Gentleman is right to praise the Secretary of State for his action. I regret that I cannot join him.

Mr. Soames: I am grateful to the hon. Gentleman, who is also my friend. He will now understand what charm can do. It has taken a great deal of effort on my part to secure this agreement from my right hon. Friend. I can assure the hon. Member for Eccles (Mr. Carter-Jones) that it was not easy with the ranks of the big battalions ranged against me.

My hon. Friend the Member for Saffron Walden (Mr. Haselhurst) is not present at the moment. However, it must be said that I have nothing but respect and admiration for the way in which he has conducted his campaign against the development of Stansted. My gain is his loss. There will be an impact on his constituency, though I do not believe that it will be as bad as his constituents fear.

The development of Stansted and Luton is sensible and provides a pragmatic decision against a very difficult background.

It has to be said that the Opposition amendment is careless of the national interest. Whether Opposition Members like it or not—and I know that they hate it—by 1988 tourism will be our largest industry. The entire White Paper is crucial to the development of that business, which is another reason why I congratulate the Secretary of State.

Mrs. Dunwoody: When the hon. Gentleman has stopped pouring oil over the Secretary of State, will he consider that one way in which tourism will develop is that tourists will rapidly become tired of the overdeveloped and overcrowded south-east and will increasingly go elsewhere in the United Kingdom, as at long last they are beginning to do? They will require airports elsewhere than in the south-east.

Mr. Soames: That has been the secret of my right hon. Friend's success. If tourists come to this country, they may fly to any airport in the United Kingdom that they wish. The right hon. Member for Western Isles and I are regular passengers on aeroplanes to the north. One can fly to any destination in Britain, and more power to the regional airports as they develop.

The arguments of the hon. Member for Crewe and Nantwich (Mrs. Dunwoody) are completely unconvincing. She is opposing for the sake of opposing, and for no other reason. She is playing party politics for the lowest kind of motives. I note, as will the hon. Lady, that right hon. and hon. Members of the Social Democratic party and the Liberal party are no longer in the Chamber. That is depressing, particularly when one considers the great confusion that exists between the two parties. The hon. Member for the Isle of Wight (Mr. Ross) appears to agree with the White Paper, but his noble Friend Lady Burton of Coventry called in another place on 5 June, using the words "We on these Benches", for a second runway at Gatwick. I am sure that the House will note the great divergence between the policies of these two minor parties.

In clear contrast to Stansted a second runway at Gatwick would mean the physical destruction of one village. It would also severely affect two other villages and put the airport perimeter within one mile of Horley, which has a population of over 16,000. That would have been an intolerable decision to take, and I am grateful to my right hon. Friend for not having taken it.

I am delighted that the British Airports Authority is to be sold as one unit and that the airports are to be formed into separate companies. I agree with the hon. Member for Crewe and Nantwich that it is important that the accounting should be seen to be absolutely transparent. May I ask my right hon. Friend to give an undertaking that he will ensure that the BAA sells any surplus land that it may have at Gatwick which it bought against the development of a second runway? I should like that undertaking to be given this evening, if possible.

I draw my right hon. Friend's attention to paragraph 9.6 of the White Paper. The new British Airports Authority plc will be able to expand into non-airport activities from which the BAA, as a nationalised industry, has been, excluded. We need to examine carefully the kinds of activities which the BAA intends to undertake. They should be clearly and tightly defined in the Bill. I should be grateful if my right hon. Friend would consider that point carefully.

This is a highly satisfactory conclusion not only for my constituents, but for those of many right hon. and hon. Members with Sussex constituencies. This White Paper is in the national interest. That is its true test. It is a responsible and pragmatic document, and once again I congratulate my right hon. Friend and his officials.

6.53 pm

Mr. Robert C. Brown (Newcastle upon Tyne, North): I wish to speak about Newcastle airport, the major international airport in the north-east of England, which plays an important role in the communications and economic growth of the region. Uniquely, the airport is in the constituency of both the right hon. and learned Member for Hexham (Mr. Rippon) and myself. By a strange quirk of constituency boundaries, a small part of Newcastle airport is in the Hexham constituency, while the rest of it is in mine.

Newcastle airport is celebrating its 50th birthday this year. If ever there was a rags to riches story, Newcastle airport must surely qualify. Many years ago, when I first became a member of the Newcastle city council airport committee, it was no more than a collection of wooden huts. It started with a grass runway. Continuous development has brought it up to its proud position as an international airport, with the type of facilities one would associate with scheduled and charter services—a club and executive flying.

The faith shown by the north-east regional airports committee in the 1960s in accepting a master plan to take the airport into the 1990s has paid dividends. In its jubilee year, a deficit has been converted into a surplus of £2·54 million. The local authorities of Tyne and Wear, Northumberland and Durham, which carried the financial burdens throughout the development, are now enjoying a bonanza to rate funds of over £4 million in the three years ending 31 March 1985. This is a great public asset for tourists, business men and visitors to the industrial and commercial heart of the north-east of England.

Passenger numbers have increased from 43,000 in 1954 to 1·25 million in 1984. Aircraft movements in the same period have risen from 4,300 to 31,000. This increase in passenger air traffic and profitability is solely due to the foresight, enterprise and pioneering spirit of past members of the Newcastle city council airport committee and to past and present members of the north-east regional airports committee.

I should like to place on record my appreciation of the late Sir Stephen Easton, the chairman of the original city council committee at the time when the Secretary of State for Air officially opened the grass runway airport in July 1935. I should also like to place on record my appreciation of the late councillor Frank Russell, who chaired the committee after the war, when the airport was handed back by the Air Ministry; councillor Dr. Harry Russell, who succeeded Frank Russell and who, after 40 years of service, is still a member of the committee; alderman Andrew Cunningham who chaired the newly formed regional committee of local authorities and oversaw the building of the new terminal and runway extension that was opened in 1967 by Prime Minister Harold Wilson; and councillor Bill Collins who chaired the committee when the £8 million extension was completed and opened by him in 1983. Sadly, ill health caused him to relinquish the chair last year.

The tremendous developments and growth at Newcastle airport is evidence of the valuable role of regional airports. It justifies in its entirety Government support and demands and decisions to ensure that developments continue throughout the years ahead.

Why should we now be subject to the threat of privatisation, with the consequential loss of millions of pounds of profit to the ratepayers, who had to suffer losses in years gone by? Given that the airport remains in the hands of the public in the north-east, the ratepayers will get back all their investment in the next two years. Then they will share in the bonanza of increased air traffic. If the councils that now run the airport are forced to transform it into a public limited company, the consequence will be the loss of loans and grants from the European Community, which have played a considerable part in the further development of the airport.

The Secretary of State has said twice from the Dispatch Box that he has no intention of forcing regional airport owners to turn themselves into public limited companies, yet paragraph 9.15 of the White Paper says:

> "The Government will introduce legislation at the earliest opportunity to effect these changes, providing powers for the Secretary of State to require designated local authority airports (for instance, those with an annual turnover of more than £1 million) to be formed into companies."

That covers Newcastle. The Secretary of State must make up his mind. Either he is to legislate, in which case he will force regional airports to turn themselves into public limited companies, or he is not.

The Parliamentary Under-Secretary of State for Transport (Mr. Michael Spicer): I suspect that there is a little confusion in the hon. Gentleman's mind. The distinction involves passing legislation to form plcs. My right hon. Friend the Secretary of State said that we would not force those plcs to be privatised.

Mr. Brown: That does not alter the fact that if the plcs are exclusively owned by the local authorities the owners will be precluded from obtaining any funds from, for example, the regional fund. That is much too high a price to pay, especially if the Secretary of State and any subsequent Secretary of State does not honour the commitment to leave those airports in the hands of local authorities.

We have seen a steady build-up in the number of European services operating from Newcastle to destinations such as Amsterdam, Oslo, Stavangar, Bergen, Copenhagen and Paris. We are hoping for further international destinations, including North America—we already have Canada—without putting our trunk routes into Heathrow in jeopardy.

The Minister has the thanks of the north-east, in so far as he has seen fit to lift the limitation on air transport movements into Heathrow. Indeed, our aim is to satisfy the demands of the travelling public for scheduled services into and out of the north-east of England, and we appear to be achieving it with increasing success. Obviously, we

[Mr. Brown]

do not want to be inhibited in any way. In 1984-85 1·25 million passengers were carried, which represented a 12 per cent. increase on the preceding year. I should like that figure to continue to increase.

I hope that the Minister will give an assurance tonight that Newcastle's access to Heathrow will be protected. I have already said that I welcome the fact that we have gone over the original figure, but everyone in the north of England would feel outraged if Newcastle did not continue to be part of that increased figure and if the traffic were shuffled off to another airport, such as Gatwick or Stansted. I should like to put some specific demands to the Minister. Perhaps I should rephrase that and say that I seek early and sympathetic consideration for Newcastle's application for a parallel taxiway. Will the Minister earnestly consider my request that two crucial areas of terminal development should be brought forward into this financial year? I refer first to the fact that significant improvements are needed in the international arrivals and baggage reclaim hall. Secondly, we need a further development in the two-level pier, with associated air-side handling lounges with the necessary public amenities. That would ease the awful congestion that occurs when two broad-bodied jets arrive or take off simultaneously.

Newcastle is due such consideration if for no other reason than that it is an efficient and economic airport. I shall pray in aid just one statistic. Our landing fees and navigation charges for 1985-86 are still being held at 1984-85 prices. I implore the Minister to bring those projects forward into this year. We are asking not for Government assistance but for the Minister to say tonight, "I am pleased to concede to the hon. Member for Newcastle upon Tyne, North (Mr. Brown) that the north-east regional airport can spend its own money on making such vital improvements."

I should like to pay a personal tribute to Jim Denyer, the airport commandant, who took up his duties with Newcastle city council in 1952. He is an ex-wartime fighter pilot and a former winner of the King's Cup air race. As a member of the airports committee for some years, it is my pleasure to pay tribute to the drive and enthusiasm that Jim transmitted to the community. He has been a source of inspiration over the years to members of that committee, and the airport's quality is due in no small measure not only to the elected members but to Jim Denyer, and his dedicated staff and work force at the airport. When he hangs up his wings, he will, indeed, be difficult to replace. I hope that the Minister will be able to send out a message of hope at the end of this debate.

Several Hon. Members *rose*——

Mr. Deputy Speaker (Sir Paul Dean): Order. I remind hon. Members that the 10-minute limit on speeches is in operation.

7.5 pm

Mr. Terry Dicks (Hayes and Harlington): The package before us is clever and devious, and it also panders to the anti-noise lobby. It is clever because my right hon. Friend the Secretary of State has used it to split the opposition among Conservative Members. He has given some hostages to fortune to the north, and made some promises that it will be difficult to deliver. Those in the north who believe that there is something in it for them should read the White Paper again very quickly.

The package is devious, because the report says, and my right hon. Friend the Secretary of State has reiterated, that terminal 5 has not been ruled out for ever. Yet on 5 June, my right hon. Friend replied to my hon. Friend the Member for Twickenham (Mr. Jessel) saying:

"I am pleased to be able to honour . . . the Government's pledge that terminal 5 would not be constructed."—[*Official Report*, 5 June 1985; Vol. 80, c. 312.]

Either the door is not closed, as the White Paper says, or my right hon. Friend is "pleased" to honour a pledge that terminal 5 will not be constructed. My right hon. Friend cannot have it both ways. He should come clean and give us his view of the future of terminal 5. If he does not want terminal 5, he should have the courage to stand up and say so. But if he thinks that there is a future in it, he should withdraw the comment that he made to my hon. Friend the Member for Twickenham. But my right hon. Friend must be a little worried because, as most people know, Conservative Members face a three-line Whip. If my right hon. Friend is so certain, he would have thought twice before applying it.

I shall vote against the package this evening. I have been consistent so far, and I shall continue to be so. Heathrow airport, including terminal 4, is within my constituency, and no doubt terminal 5 would also come within it. I was surprised to hear some of my hon. Friend's talk about the problems of those living in and around Heathrow. One would think that no one living round Heathrow wanted a fifth terminal. But I say loudly and clearly that my constituents want terminal 5 because they want 15,000 jobs. I should point out to my hon. Friend the Member for Stockport (Mr. Favell), who is not in the Chamber at present, that noise means jobs and economic activity in my constituency. It was interesting that some hon. Members, who claim to represent those who live under the flight path, should say that life is unbearable for them and that it is dreadful to live in the area. Are house prices in Twickenham and Richmond standing still or falling? No, Sir—they are rocketing up. If things were that bad, people would not want to live in the area. Some of my hon. Friends completely misunderstand the nature of noise and its relationship to aircraft movements. But perhaps in due course we shall see changes that even they will have to accept.

Heathrow must have priority, because the airlines want to use it. They want a fifth terminal. I thought that the Government believed in consumer sovereignty. I thought that that was important. I did not believe that this Government would try to push those who want to come to London off to some—with respect to my hon. Friend the Member for Saffron Walden (Mr. Haselhurst)—God forsaken hole in north-east Essex. The countryside is beautiful, but Stansted would be inconvenient for Americans, for example, who want to see the delights of London. Thus, I am surprised that consumer sovereignty should have taken second place.

I shall reiterate what my right hon. Friend the Secretary of State said to me when we were discussing my suggestion that we should reduce the number of domestic flights into Heathrow because there was a limit to congestion. He said that we could not do that because people who were going on holiday to London did not want to go to Stansted or Gatwick. He said that they wanted to

go to Heathrow. That is what my right hon. Friend said when we were talking about domestic flights. But that principle is even more relevant to international movements. When people come to the United Kingdom, they want to come to the airport of their choice — Heathrow—and do not want to go anywhere else.

In general, the community around Stansted is opposed to the proposals, although a limited expansion would probably be acceptable. The airlines do not want to go to Stansted, and nor do most travellers. Indeed, they would certainly object to being bussed along the M25 between Heathrow and Stansted. Anyone who thinks differently has something wrong upstairs—he must be stark, staring bonkers.

There will be international repercussions if we force airlines to do something that they do not want to do. Will we return to the old days, so that foreign countries will say, "If you force us into Stansted, British flights into our countries will have to go to some military airport at the back of beyond." This package will be the biggest white elephant that anyone has ever seen.

There is no point in turning a public monopoly such as BAA into a private monopoly. If there are to be changes towards privatisation, why on earth can there not be a Heathrow Ltd. and a Gatwick Ltd.? Why need there be a holding company? The Secretary of State told me that a holding company was reasonable because if the two airports were in competition Gatwick would go out of business. I thought that the market place allowed for that; it is all about the fittest surviving. But my right hon. Friend has given BAA control of the holding company, and that is crazy. The airports should be independent. Heathrow should make its profit and fight on, and Gatwick could compete from a different base and attract a different type of customer.

We all know how the BAA has used and abused its power in the past. We all know how it has cross-subsidised Stansted, and it is about time that that was stopped. It should have been stopped years ago. Let us have two separate companies — Heathrow Ltd. and Gatwick Ltd. We could also have Stansted Ltd. if the proposals are realised.

This package was produced in the hope of getting it through. The Secretary of State faced a similar position when he tried to introduce the 75,000 limit at Heathrow. We know the package will go through because my right hon. Friend has split the Conservative opposition. However, some of us will stand firm and he will at least have to listen to what we say. I believe that terminal 5 will come in due course, despite my right hon. Friend and his White Paper.

7.12 pm

Mr. Robin Corbett (Birmingham, Erdington): The real winners in this airports policy are the civil servants. When 40 years ago the Americans left a large slab of concrete in Stansted, some of those in Whitehall determined that one of these days, sooner or later, a Secretary of State would come along whom they could persuade to share their view that there should be massive airport expansion at Stansted.

There is an alternative, but it has not been contemplated. There is a do-nothing strategy—and by that I mean do nothing. The day would then come when those allegedly wishing to fly into Heathrow or Gatwick would be told, "There ain't no room." That would be one way of achieving what many Opposition Members and some Conservative Members want — proper priority to be given to our regional airports.

The White Paper lays down certain policy objectives in section 3. One is to

"encourage the use and development of regional airports so that they meet the maximum demand they can attract."

That is a laid-back policy because it puts the onus on the regional airports to attract passengers. That is my complaint, not simply against the authors of the White Paper, but, in some senses, against my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody).

On page 21, paragraph 5.25, the White Paper says about Luton, "It"—the Government—

"would welcome growth of traffic at Luton which would enable the airport authority to make the best possible use of its facilities."

Paragraph 6.2 states:

"increasing use of regional airports ensures better use of the existing infrastructure. These airports also have a role to play in relieving pressure on capacity at the airports in the South East."

In the context of the main thrust of the White Paper, those words are no more than pious hope.

The difference is shown in the section on regional airports. In paragraph 12.8 the White Paper says about Luton that the Government

"will invite Luton Borough Council to bring forward proposals to increase the airport's capacity up to about 5 mppa."

Paragraph 12.11 then says that the Government

"hopes that Manchester and other regional airports can help reduce the pressures on the South East by attracting more traffic."

The difference between the word "invite" and the word "hope" is much more than semantics; those words were chosen with care. "Invites" implies some kind of encouragement; "hopes" simply conveys idle indifference, and that is our complaint.

I pit the demands of Birmingham international against no other airport in the region — neither Newcastle nor Manchester. The case for regional airports is the sensible use of every one of them. Birmingham has a first-class new terminal currently handling 1·7 million passengers a year, but is able to cope with many more. In the Government's own words, that would make the best possible use of its facilities.

Alongside the development of the airport has been the tremendous development of the Magleu railway from the car park to the airport. It is the first example of a pneumatic motor train in the world, and great interest has been expressed in it abroad. But the argument is not simply about the sensible use and development of Birmingham. It is about the economic future of Birmingham and the west midlands, as it is about every other region in the country. Each job at an airport will create two or three jobs off the airport.

The west midlands has an unemployment rate overall of 16·5 per cent. Almost within walking distance of Birmingham airport there are areas of the city with male unemployment rates of 40 per cent. or more. Birmingham has a great deal to offer, much of it developed with public money. That is the argument for the sensible use of facilities. Birmingham is establishing the first inland free port. It has the tremendous success of the National Exhibition Centre which, against the doubts of all those Jeremiahs who said that it could not work, does work, turns in a profit and there is now talk of expanding its provision.

A wide tourist region is served from Birmingham international airport, from the rolling, undulating hills of

[Mr. Robin Corbett]

Shropshire in the north, leading to mid and north Wales, to Warwickshire in the south, centred around Stratford-on-Avon. The ludicrous nature of the Government's policies —as with the nature of my Labour Government's policy between 1974 and 1975 — is that we are apparently content for people to come churning through Heathrow and Gatwick and then catch a day coach to Stratford-on-Avon to visit the delights of that area rather than have the tourists coming directly into Birmingham and spreading out. That would not only ease the congestion in London and the south-east, but in a real sense would help the economy of the west midlands.

Thousands of millions of pounds have gone into the building and widening of the M1, the M6, the M5 and the M69. We have excellent road facilities, when the cones are put back on their shelves, and we have a first-class rail link between Birmingham and London. I remind the Secretary of State that the trains into Euston and other stations in London actually go back to the north. They do not come to London and then disappear into a black hole. They go to the north and can take passengers with them.

It is inevitable under the White Paper policy that the level of investment envisaged for the development of Stansted must mean less being done in the regions. A pound cannot be spent twice. If it is spent in the south-east, it cannot be spent in the midlands, the north, the north-west or Scotland.

Nor is it simply a question of meeting estimated demand. The fallacy that it is represents a laissez-faire policy which is adding to the great divide between north and south in Britain. What the White Paper proposes will attract air traffic to London, whereas we should be adopting a get-tough policy with operators, particularly those who conduct flights for holidays and pleasure. We should be telling them, "We want you, but not every tourist journey needs to start in London."

We know from the activities of some tourist bodies, such as the Heart of England tourist board in the west midlands, that once people discover other areas of the nation, they think, "Why have we been paddling around the dirty streets of London all these years?"

The policy in the White Paper does not put any pressure on airlines to expand their regional operations, despite the fact that at Birmingham international landing charges have been held below the rate of inflation, at only 3·3 per cent., and that the recent rise has been the first since 1983.

I quarrelled with the last Labour Government for being too limp with regional airports, and I continue my quarrel with the Conservative Administration. We cannot keep tipping concrete over the southern corner of England. One day—I hope that it will be sooner rather than later—the House will tell the Government of the day, "Enough is enough. A halt must be called now."

7.22 pm

Mr. John Wilkinson (Ruislip-Northwood): You must often feel, Mr. Deputy Speaker, that the best politicians are often those who listen rather than hold forth most forcefully. In politics preconceptions are exceptionally dangerous.

I congratulate my right hon. Friend the Secretary of State on having listened for so long with such patience to so many conflicting points of view and on having sought with assiduity to reconcile them. I recognise that at many stages in that process I may not have made matters easier for him.

The speech of the hon. Member for Crewe and Nantwich (Mrs. Dunwoody) was deeply depressing for those who care about British civil air transport. She adduced a totally negative policy. She suggested that there should be no further growth at Heathrow — or at Stansted, beyond a modest increment to a maximum of 5 million PPA—and that somehow all the extra growth should take place in the regions and the north.

The hon. Lady acknowledged that it would not be a voluntary process. She recognised that the only means of achieving such a policy was by direction. That is the last thing that the travelling public want. That is why I regarded her contribution as depressing, and I set it aside on that basis.

I thank my right hon. Friend for having lifted the arbitrary 275,000 air transport movements a year limitation that had been planned for Heathrow. I was sorry that we had to reject his Bill to achieve that end, but I hope that with hindsight he will feel that that temporary unpleasantness was worth while.

If that legislation had been enacted we should now be facing a real difficulty, as we are already at the 275,000 ATM point. We should be having to face the invidious task of turning traffic away. I am pleased that my right hon. Friend recognised the force of the inspector's arguments and abandoned the limit.

My right hon. Friend is right to suggest that as operations develop over the years we shall be able to judge what should be the upper limit for Heathrow. Undoubtedly, there will be further improvements in air traffic control. One can see computerisation developing further, the use perhaps of artificial intelligence, better ground handling and many similar features which, in the years to come, will enable a greater number of air transport movements to be handled.

People were unreasonably fearful about the impact of noise on the communities around Heathrow. I am sad that their fears were pandered to. We live in the real world and, as my right hon. Friend the Member for Spelthorne (Sir H. Atkins) pointed out, public representatives such as ourselves must represent the fears and anxieties of our constituents.

I appreciate that, for example, my right hon. Friend the Member for Spelthorne and my hon. Friends the Members for Richmond and Barnes (Mr. Hanley), for Twickenham (Mr. Jessel), for Windsor and Maidenhead (Dr. Glyn) and for Berkshire, East (Mr. MacKay), among others, must live with the representations made to them by their constituents about airport noise.

Times are not only changing, but have changed. The table on page 39 of the White Paper to which I referred in an intervention shows beyond peradventure that noise disturbance in the vicinity of airports has already diminished. When the new noise regulations are in force —they will ban, from the beginning of next year, those United Kingdom registered aircraft which are not noise certificated, and from the beginning of 1988 those foreign registered aeroplanes which are not noise certificated— we shall have a different situation.

We must consider developments in other parts of the world. Too often we in this country are parochial, when air transport is a global industry. At Washington national, for example — it is perhaps the most sensitive of all

major airports—two types of aeroplane are now able to operate round the clock, even through the so-called night noise curfew. They are the 757, powered by the RB211535-E4, and the British Aerospace 146.

So quiet are they that their movements are imperceptible outside the airport boundaries. That is the way in which modern technology is transforming the situation. Indeed, as I argued in the debate on Maplin 10 years ago, it will become increasingly possible to bring airports closer to centres of population rather than banish them to the countryside.

We are already seeing that in microcosm with the approval which my right hon. Friend the Secretary of State for the Environment has, rightly, given to the STOLport in docklands. That instance proves the point, though there is another aspect of airports policy which is germane to this debate. This is the key issue of surface access, to which several hon. Members have referred.

If Stansted is not to become the white elephant that my hon. Friend the Member for Hayes and Harlington (Mr. Dicks) fears, we must have good surface access. Otherwise, it will become another Narita. It must not take, say, three hours to get to or from an airport. Coming from Stansted, it is fine until the end of the M11, but heaven help anybody in the rush hour traffic from there on who wants to get into the centre of London. Rail links are, therefore, crucial, as they are to Feltham and Iver for Heathrow and from Prestwick.

The question of the environment is rightly a burning issue. I feel for the people of Essex, because the Stansted area is the last unspoilt piece of countryside near London. If too much development is permitted there, the result could be catastrophic for that beautiful part of the country.

The economics of civil air transport being what they are, I am sure that the pressure will still be for further growth at Heathrow. Passengers on scheduled flights want to go to Heathrow, and that is where the interlining connections are to be found. That is where surface transport access is best, although it is still not good enough.

I am glad that, at least implicitly, my right hon. Friend the Secretary of State has left the door open for a fifth terminal at Heathrow. As my hon. Friend the Member for Bury St. Edmunds (Sir E. Griffiths) put it so tellingly in an earlier debate — my hon. Friend has ministerial experience in these matters—we can build an airport at Mount Pleasant on the Falkland Islands in 18 months when we set our minds to doing so, yet we cannot move a sludge disposal works and construct a terminal at Heathrow, which is virtually on our doorstep. As my hon. Friend said, that does not make sense. However, I am pleased that studies are being initiated. If private money is forthcoming from the airlines and property companies, there is hope that the fifth terminal can be built, but first the surface access must be constructed.

Heathrow is the jewel in the crown. It is an incomparable national asset. I am so pleased that my right hon. Friend the Secretary of State has not, I believe, even faintly inhibited its further development. As the hon. Member for Newcastle upon Tyne, North (Mr. Brown) said, so many provincial airports depend on good access for their feeder services into Heathrow for their own viability. I am pleased that the White Paper sets out sensible and pragmatic steps. My right hon. Friend has listened, and we thank him for that. We hope to be able to help him construct an even better policy in future.

7.32 pm

Mr. Lewis Carter-Jones (Eccles): It is a great pleasure to be called to participate in the debate immediately after the contribution of the hon. Member for Ruislip-Northwood (Mr. Wilkinson). The hon. Gentleman and I are the chairmen of our respective parliamentary aviation groups. It is a great pleasure to listen to the hon. Gentleman when he speaks with knowledge, feeling and passion.

First, I shall address myself to the noise factor. The limit of 275,000 ATMs was plucked out of the sky. It seems that no thought was given to it. British aircraft that are coming on, such as the Jetstream, the super 748, the ATP and the HS146 will provide good, quiet, efficient and effective service as feeder aircraft. They are British aircraft and I hope that British airlines will buy them as well as others.

The 10-minute rule is in operation and I shall not allow intervention in my remarks. On a previous occasion I allowed two Conservative Members to make their speeches during my 10 minutes and I do not propose to concede any of the time that is available to me this evening.

In my days as a navigator when my pilot wanted wind speed and direction the procedure was to fly two minutes one way, two minutes in another direction and two minutes in a third direction. When that had been done he expected me to have calculated wind speed and direction. I returned from Washington last week and during the flight I was admitted to the flight deck. I pressed a button and I had before me wind speed, direction, alternative airports, landing time and remaining fuel in one fell swoop. I had never felt so redundant in my life. All my skills had been overtaken by technology. If I had been able to put my finger out of the cockpit I might have been able to carry out some first principles. I might have been able to find the pole star, had it been night time.

There have been great technological advances that have led to a decrease in aircraft noise. I believe that the noise that is involved in holding aircraft will decrease when technology permits us to control airliners when they are 1,000 miles or more from their destination. It will be possible to control them all the way efficiently and effectively. The noise factor should be laid at rest for a while. It seems that aircraft noise will become quieter and quieter notwithstanding a greater number of landings.

I advise those who served on the Civil Aviation Bill in Committee to read the *Hansard* record of the proceedings. The reports make fascinating reading. It seems that the Secretary of State has completed an extremely quick learning curve. The Bill was published on 9 November and our first sitting in Committee took place on 11 December 1984. The Committee could not agree a sittings motion. It could not agree

"That during the proceedings on the Civil Aviation Bill the Committee do meet on Tuesdays and Thursdays at half-past Ten o'clock."

The Committee could not agree a sittings motion when it met on 18 December. The Christmas recess intervened and the Committee met for a third time on 12 January 1985. During our proceedings on that day the Secretary of State adjourned the consideration of the Bill in Committee.

The Secretary of State wanted, by means of the Bill, to honour his promise of a limit of 275,000 ATMs, which involve landings and take-offs. Before the right hon. Gentleman leaves the Chamber, I want to congratulate him

[Mr. Lewis Carter-Jones]

on having completed a quick learning curve. The members of the Committee who considered the Civil Aviation Bill did nothing for legislation but the Committee enlightened the Secretary of State, the junior Minister, the civil servants and everyone else who was involved in the proceedings. As I have said, I congratulate the right hon. Gentleman on allowing the limit of 275,000 ATMs to go out of the window. The Secretary of State may now leave the Chamber if he wishes to do so.

Manchester airport has been betrayed once again. We hear phrases such as "we think", "it may be" or "the Minister hopes". However, we know that landing fees at Stansted were realities. There was cross-subsidisation. We know that that operated to Manchester's disadvantage and that Manchester suffered. All that we have is a promise from the Secretary of State that he will consider Manchester's problem. Unfortunately, the problem will continue to exist while he does so and Manchester airport will suffer. The principle of cross-subsidisation has been established and it is being implemented. When I meet the chairman of the British Airports Authority he always tells me, "Lewis, you must realise that we support Manchester airport." When I ask the chairman how the authority is giving it support, a blank expression crosses his face.

Mr. Hanley *rose——*

Mr. Carter-Jones: No, I shall not give way.

Mr. Hanley: I would be grateful if the hon. Gentleman were to give way.

Mr. Carter-Jones: Very well. I agree to allow the hon. Gentleman to intervene on the understanding that he is brief.

Mr. Hanley: Will the hon. Gentleman deny that there has been a near doubling of destinations from Manchester because of Government policy over the past 12 months?

Mr. Carter-Jones: I am worried intensely about some of these routes. I am concerned about what might be withdrawn in lieu of them. I hope that the Secretary of State will ensure that he gets secure bilateral arrangements into Manchester. That is the most important factor of all for Manchester.

There must be an improved infrastructure in the north-west. I hate having to say this to monetarists, but there must be some distortion if we are to secure investment in the north-west. We have a marvellous airport but we do not have a rail link. I shall be grateful to any Conservative Members who support the claim that Manchester airport must have a rail link. The White Paper states implicitly that there will be a rail link for Stansted. I ask the House and the Secretary of State to agree that there must be an effective rail link to and from Manchester airport by the same token.

Sir Fergus Montgomery (Altrincham and Sale): Has the hon. Gentleman read paragraph 6.33?

Mr. Carter-Jones: It is stated that there will be an investigation, but the provision of a rail link is not writ large in that paragraph. If the hon. Member for Altrincham and Sale (Sir F. Montgomery) reads the document carefully, he will see that it implicitly states that the project at Stansted will not proceed unless it can be justified. We want a clear undertaking that there will be an improvement in the north-west as a result of the establishment of a rail link. That link is essential for Manchester.

The hon. Member for Crawley (Mr. Soames) is the lucky one. He has everything that he wanted — a roadway and the possibility of a second runway being blocked because the second terminal blocks it. That is the perfect situation. I must say:

"That unto every one which hath shall be given".

I say to those who represent wealthy constituencies in the south-east, "Remember your fellow Britons living elsewhere where there are unemployed people. We ask not for extra money but for the capital investment that is directed towards Stansted to be allocated to the north-west." Stansted represents a threat to Manchester because that airport is being built primarily through contract work for tourism to transport people in and out of this country. That development will rob Manchester.

I conclude with a final appeal to the Secretary of State: give us a favourable response on the proposed rail link to Manchester airport.

Mr. Deputy Speaker (Mr. Harold Walker): Sir Eldon Griffiths.

Hon. Members: Hear, hear.

7.41 pm

Sir Eldon Griffiths (Bury St. Edmunds): In the light of the reception that I have exceptionally been given, and in view of what has happened during the past few days, I feel peculiarly diffident about disagreeing with the Government in the Division Lobby tonight.

If anyone had any doubt about this debate's relevance, he could dispel it simply by looking at the news tickers. During the past five days, we have all watched the tragic shuttling of the TWA Boeing from Algiers to Beirut. The human poignancy of the story has grasped world attention. The reason is that nearly everyone in the Western world either flies or hopes to fly. This underlines my basic point. Aviation has become one of the world's basic industries.

This debate must, therefore, go to a central point—that Britain must remain at the centre of world aviation and provide the world's airlines, passengers and freight movers with the best available facilities. Unless we do so, the great world airliners of tomorrow, which I guess may be bigger and carry more freight, will stop at only one place in north-west Europe. I hope that it will be in Britain, but, if we are not careful, that one world airport in north-west Europe may well be on the continent and our country may become a satellite in aviation terms.

I welcome a great deal of the White Paper — privatisation, the prospect of competition, the removal of the limit on the numbers at Heathrow and the great encouragement given to regional airports. Nevertheless, I shall be constrained to vote against the motion that the House takes note of the White Paper, for three principal reasons. The first reason is based on environmental grounds. For four and a half years I was Under-Secretary of State for the Environment. During that period I paid particular attention to countryside issues. I am sorry to say that my right hon. Friend's policy will mean urbanisation and industrialisation for Essex, which is an important part of our countryside. Many thousands of acres of our scarcest commodity in a small island—land—will be stolen. Dozens of our villages and some of our market towns will be transformed into dormitories for the airport-

related industries which will certainly come to the new Stansted airport. This policy will unroll a carpet of concrete, roofs and electricity lines over one of the most charming rural environments in Britain. I regret all that.

I have never doubted that Stansted must increase to take 7 million or 8 million PPA. It could do so within its existing capacities. However, to extend capacity to 15 million PPA is an environmental mistake, and for that reason I shall oppose it, as an East Anglian Member.

Secondly, I object to the policy enshrined in the White Paper on national planning grounds. For four years I was, for my sins, Minister with responsibility for planning. Perhaps I was not a very good one. But the biggest planning threat to our country now comes from London's spreading outwards — south to Gatwick and perhaps eventually to Brighton; west, as it has already done, to Heathrow and beyond to Slough; north along the Birmingham corridor; and, now if the White Paper is accepted, north-east to Harlow, Stansted and beyond. We are faced with the prospect of the worst planning feature of American life — megalopolis. The danger is of "Londonopolis" spreading concrete over far too large an area of south-east England at the expense of other parts of Britain.

While I had responsibility for transport, I tried to ascertain why it cost so much more to move goods from one place to another in Britain than in Germany or France. I discovered that our highways and railways are just as efficient as anyone else's for the transportation of goods between cities, but our national average is pulled down by the sheer scale of London and the fact that so many transport movements must pass through Greater London. We should not be extending London, but limiting it. We should not be concreting more of the area around London; we should be conserving it. So on the broadest ground of national planning strategy, this policy of building up Stansted is wrong.

My third objection to the White Paper is based on aviation grounds. I am sure that our policy must be to ensure that Britain has a national airport of a standard and on a scale that will be the most attractive in the world. During the period when I was responsible for the ill-fated Maplin programme, which the House passed and the Opposition cast aside, I learnt two things: first, that an international airport must have all its facilities in one place —baggage handling, security, the lot; and, secondly, that it must be indefinitely extendable. It must be able to grow, because no one can foresee the future. We must, therefore, site an airport where all the facilities can be provided on one spot and where there is capacity for growth. Only Maplin could provide that combination. But Maplin, alas, is dead.

It was a national folly for the Labour Government to kill Maplin. But if the killing of Maplin was the first step towards the historic removal of London from its primacy in the eyes of the world's airlines, tonight we might be taking a further step along that tragic road. For we are deciding not that London will have a great omni-competent international airport, but that it will have three or four different airports, all of them inadequate to meet the challenges of tomorrow, none of them sufficient to provide in one place the totality of services that are required.

We all know that Heathrow is inadequate—that it is too small and that its site is limited. We all know that, if it is to succeed in international terms, it must become bigger and better. There is only one site for this to happen —the sewage works. Perhaps the Minister will convey to my right hon. Friend, for whom I have the greatest affection and admiration, that it is a sad prospect that a Government who could successfully build a new airport in 18 months in the Falklands, 8,000 miles away, should be defeated at Heathrow by a sludge farm. There is something nationally humiliating about that.

I sum up. Let us by all means have the 7 million or 8 million passengers in Stansted. Let us encourage Manchester in every way that we can. But let us make sure that we have in London a national airport which is the best in the world. We shall not get it by a fudged policy which says, "Maybe terminal 5, maybe not terminal 5; maybe 7 million at Stansted, maybe 15 million at Stansted."

It was said of my right hon. Friend's White Paper that at long last, after 30 years, he has grasped the nettle and taken a firm decision. He has done no such thing. He has left all the options open. Therefore, I cannot support him.

7.50 pm

Mr. Allan Roberts (Bootle): The Minister, in opening the debate, quoted in aid Mr. Gil Thompson, the director of Manchester airport, as being in favour of the proposals. I do not know whether there is any connection, but seven days previously Mr. Gil Thompson received an OBE from the Government. *[Interruption.]* People do respond to such things.

The Minister also quoted in aid the *Manchester Evening News*. He quoted the headline. He did not quote the leader following the Government's White Paper, which was critical of the White Paper and called for some concrete proposals, let alone some more concrete in Manchester.

The Government have not moved away from the Graham Eyre recommendations which so many Conservative Members oppose; they have moved nearer to them, including the proposed removal of the sewage works and the proposal to go ahead with the fifth terminal. The Government have not, in the White Paper, ruled out the increase to 25 million PPA at Stansted.

If the White Paper has convinced Conservative Members that the Government have made any concessions or have moved in any way at all, it is a clever piece of propaganda, because I do not believe that any significant concessions have been made by the Government from their original position. The Government have landed at Stansted and the development will, as originally envisaged, go forward to the original figure of 15 million PPA, and then probably much further than that. A thick fog has been created around the Government decisions. Although at first sight the Government appear to have landed at Manchester, Luton and Heathrow, the real conclusion to be drawn from the White Paper is that there has again been a diversion to Stansted.

I support Manchester international airport as the key airport in the north-west of England but, as Member of Parliament for Bootle, and representing a Merseyside constituency, I am also greatly concerned about Speke airport in Liverpool. Speke has hardly been mentioned in the report, but I do not believe that Liverpool airport can survive if the proposals in the White Paper go ahead. I do not believe that it can survive, let alone have a rosy future, without a massive expansion of Manchester international airport. To have a viable future, Speke airport needs to be linked into the international airport at Manchester.

[Mr. Allan Roberts]

Manchester has 180 airport movements a day and made a profit of £12 million last year, yet the White Paper has the audacity to suggest that the Government are not convinced that the running of local authority airports through joint committees is the most effective means of managing substantial businesses. Manchester airport is a success story, and it is run by a committee of a local authority. It was conceived and pioneered by a local authority, in the true spirit of municipal pioneering. It is run effectively by a joint committee of the county and the city. Indeed, a Conservative Member, from a sedentary position, commented that Manchester has a fine airport. It is a tribute to municipal Socialism that the airport exists and makes a profit of £12 million.

Merseyside county council owns Liverpool airport, where there are only 30 air movements a day. The annual loss approaches £3 million. That debt will not be accepted. When I intervened, the Minister said that he could give no undertaking about the future of Liverpool airport, and that it is up to the districts, which might come together and take over the airport; if not, it would be up to the passenger transport authority that is being set up by the abolition Bill, rate-capped from its inception. The Secretary of State knows that the districts, many of them rate-capped and with cuts in grants and inadequate targets, will not take over an airport with a debt of £3 million. He knows that the passenger transport authority cannot take over that £3 million debt, because it will be rate-capped at its inception. The Secretary of State should give an undertaking that the money will be forthcoming to sustain the airport.

Liverpool has only five summer holiday charter flights leaving each week, and some scheduled domestic services. The airport is, sadly, underused. Less freight comes into the airport in a year than through the seaport container terminal in the docks in my constituency in half of one of the container vessels. That is the situation at present at Liverpool airport.

Money has been spent on a new terminal at Speke, but the one crucial missing element required to draw charter trade is a duty-free shop. The airport would be far more prosperous than it is now, and it would possibly break even, if it could attract a charter trade. As I have said, it would attract that trade if it had a duty-free shop. The Customs and Excise has ruled that out because there are not enough passengers, so we have a Catch-22 situation. If the Government would give an undertaking that the Customs and Excise would agree to the granting of a duty-free shop, Liverpool airport would start to thrive.

There has been mention of the issue of freedom of choice. Many of my constituents, and others throughout the north-west, have very little freedom of choice in where they fly from. They fly from the airport that is nominated by the travel agent or bucket shop. They have to go to Luton and to Gatwick. It is not only a myth to say that there is freedom of choice. It is a myth to suggest that there is something wrong about directing companies or flights to the north-west, where there is no freedom of choice now.

Visitors from countries such as the United States like to visit Wales, Chester and Merseyside, which is becoming a growing tourist attraction, as well as the Lake district. Many of them would prefer to fly into Manchester or Liverpool and start their holiday there, rather than having to go first to Heathrow. It can take longer to get from terminal 1 to terminal 3 than to travel from Manchester airport to Liverpool airport. Sometimes one has to wait 20 minutes before getting on a bus. The congestion and difficulties are tremendous.

Privatisation is presented as an alternative. Tomorrow a private company, Airports International Limited, is making a presentation to Merseyside MPs. The company does not want to take over the Liverpool airport, with its debts. It wants to have a management contract and, in the company's words, to make the airport more efficient, but it does not want to take on responsibility for the airport.

Liverpool airport should have a future. Tourism on Merseyside is increasing. Merseyside is becoming much more attractive to tourists. Liverpool airport reflects the economic position in Merseyside. If there is to be any development of Merseyside's industry, and if unemployment is to go below 20 per cent. in the travel-to-work area, that development has to be linked with the expansion of Liverpool airport. If Liverpool airport closes as a result of the White Paper and the Government's plans to abolish the metropolitan county, it will be another nail in the coffin of Merseyside. It will signal a loss of jobs not only at the airport but in the hinterland.

Manchester airport should be linked with Liverpool airport. There should be a rapid rail transit system linking the two cities. What could become Manchester's second runway has already been built at Liverpool. There are no noise problems because the flight path is mainly over the estuary. That runway would be ideal as a second runway for Manchester international airport. That is the kind of opportunity open to the Government if they would accept the regional alternative. I do not believe that the Government can develop the capacity of Stansted to 15 million PPA and beyond. Luton borough council will be invited to put proposals to increase Luton's capacity to 5 million PPA. The report's conclusions state:

> "The Government will encourage the development of Manchester"

airport. I wonder what "will encourage" means. The report states that a plan

> "is being drawn up . . . to provide a positive strategy for increasing the range of international services"

at Manchester. That will not happen if Stansted is developed. Section 6.32 does not contain a commitment. It states:

> "The Government would expect to approve capital expenditure on a second terminal at Manchester when this is justified by demand and return on capital."

It will not be justified by demand and return on capital if Stansted goes ahead and is developed as is envisaged in the White Paper.

I do not believe in the kind of expansion figures for the increase in passenger traffic that the Secretary of State quoted. Any commitment to the regional alternative will be on a wing and a prayer. If Conservative Members are conned by the White Paper, when they previously opposed the Government's proposals to build Stansted because they supported a regional alternative, then they have been misled and are more gullible than I believed that they were

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Mr. Deputy Speaker (Mr. Harold Walker): Order.

Mr. Roberts: I urge the Government to reconsider the matter and I urge those Conservative Members who have doubts to vote according to their consciences.

8.1 pm

Mr. Tony Baldry (Banbury): I am beginning to think that I am one of the few Members of the House who do not have a constituency interest in the matter. I shall address the House from the national perspective.

Air transport is one of the more successful industrial sectors of the British economy. British Airways, the world's favourite airline, is a major earner of foreign currency, a major employer and one of the most internationally competitive businesses. In contrast with other European nations, the United Kingdom enjoys a second major international carrier and a number of smaller airlines. The United Kingdom must not jeopardise the future of a sector in which it is internationally more competitive than any other member of the European Community.

Further, air transport does not stand alone. It is vital to the competitive position of manufacturing and service industries, which are increasingly dependent upon air transport as international and European marketing and development become even more important.

An island nation, on the periphery of the European Community, cannot afford to lose the competitive advantage in air transport that it enjoys. Because of a common language and history, the United Kingdom will remain the preferred European base for many international airlines. Failure to achieve a viable airports strategy would, in all the circumstances, be economic and national folly. Britain leads, and should continue to seek to lead, Europe in air transport.

No air transport strategy in which capacity falls short of demand can be regarded as successful. Two questions are involved: how much capacity, and when? Mr. Eyre sought to provide estimates of levels of demand which he believed it would be prudent to meet. He did not assert that his figures would necessarily be reached or that they would not be overtaken, but rather that capacity to match demand should be available and capable of operation by the time the levels of demand are reached. He projected that by 1995 demand of 75 million PPA would exist in the London area and 89 million PPA by the year 2000. His figures are drawn from an extensive and thorough review of the evidence then available, based on an examination of the methodologies. It is doubtful whether those figures could be improved.

It follows, therefore, that if the proposals for our airports strategy fail to produce sufficient capacity to match projected demand, that strategy will have failed. To succeed, that demand must be met in the London area and in the regions. We must ensure that capacity is available when and where it is needed. Ideally, new capacity should be available as soon after 1990 as possible.

One substantial misconception must be dealt with before we consider where and when capacity is needed. No part of the airports policy has been as confused or has given rise to such acrimonious debate as the role of the regional airports. Demand is greater in the south-east. Airlines will not develop regional services if there is no demand, and nothing said by the Opposition has managed seriously to bring into question Mr. Eyre's conclusion that there is no shortage of capacity in the regions. There is shortage of capacity in London and the south-east. A sensible airports strategy, therefore, must meet the likely increase in demand in London and the south-east. Prudent consideration requires that 75 million PPA be provided by 1995.

Mr. Eyre concluded that only Stansted could be expanded to cover the shortfall of capacity in the early 1990s, and that to meet demand in the late 1990s and into the next century extra facilities at Stansted and Heathrow would be needed. That is a safe and viable strategy. It is broadly the one that the Government are adopting. By expanding Stansted to 8 million PPA in the near future, and leaving the door open to future expansion at Stansted and Heathrow, the Government are ensuring that there will be sufficient capacity to meet demand for some time.

I wish for a firmer commitment to the construction of a fifth terminal at Heathrow, but I am sensible of the fact that a fifth terminal remains an option should the need arise. During the inquiry, Mr. Eyre commented that hitherto airports inquiries and policy had been characterised by uncertainty. What arises out of the White Paper and these proposals is a sure and considered strategy which seeks to meet demand; a national strategy that will provide sufficient capacity to meet demand at the minimum environmental cost; a strategy that will ensure the maintenance of the unique international status of the United Kingdom's air transport system; and a strategy that will ensure that Britain continues to be a world leader in air transport well into the 21st century. That is a strategy which will ensure that we continue to be competitive in a business where, for once, we lead Europe. It would be folly to jeopardise that lead unless we must.

8.8 pm

Mr. David Lambie (Cunninghame, South): I apologise for missing the beginning of the debate, but I was visiting a British Aerospace factory at Prestwick airport with my hon. Friend the Member for Kilmarnock and Loudon (Mr. McKelvey). Unfortunately, the visit lasted longer than I thought it would and I missed the shuttle from Glasgow.

That visit was unusual for Scottish Members of Parliament because we were faced with a problem. It was not the usual problem of redundancies and closures but one of success. British Aerospace has so many orders for its Jetstream that it cannot get them out regularly. The factory was worth the visit, if only to hear of that problem.

Certain aspects of the Government's White Paper attracted me, even though I speak from the Opposition Benches. If one excludes the privatisation of the British Airports Authority, there is much sense and worth in the proposals. I say that as a Scottish Member of Parliament; as a regional Member of Parliament.

During the past five years, the Select Committee on Scottish Affairs has carried out two inquiries—one into the future of Prestwick airport and the other into the effects of the privatisation of the BAA on Scottish lowland airports policy. The Government have accepted most of the proposals in both those reports. As Chairman of the Select Committee, I must thank the Government for doing so.

The Select Committee stated that the traditional policy on Scottish lowland airports and on retaining Prestwick as the international gateway and the long haul airport for the Atlantic, carried out by all Governments over a long period, was to be maintained, if only for a temporary period of four years. We stated that the activities of the other lowland airports — Glasgow, Edinburgh and

[Mr. David Lambie]

Aberdeen—should be concentrated on journeys within the United Kingdom, and between the United Kingdom and Europe. The Government have maintained that policy, and I am glad of that.

I am not worried about the period of four years because halfway through we shall have a general election, and if all the trends continue as they are now, we shall have a change of Government. I hope that my Front Bench will give us an assurance tonight that the next Labour Government will carry out the policy on Prestwick airport of previous Labour Governments and of the present Conservative Government.

When the Select Committee considered the effects of the privatisation of BAA, we said that the future of the Scottish lowland airports depended on their being tied to the London airports. At that time we were thinking mainly of Heathrow and Gatwick. We said that if BAA is to be privatised, the Scottish lowland airports should retain their connections with BAA, but they should be controlled by a Scottish company, and the BAA should be the holding company. The Government have accepted that with one small addition. Instead of having one Scottish company running the lowland airports, the Government have said that there will be individual companies for each of the four airports. I have no objection to that. In my opinion, the more decentralisation there is, the better. That is why I support devolution for Scotland.

Therefore, the Government have accepted that the Scottish lowland airports should be tied to the London airports. That will be a good thing for the passengers in Scotland. As the BAA has always stated and as the Government said in their White Paper, I believe that we shall see a continuation of the expansion of air transport. I have no doubt about that. The Scottish airports cannot compete with London. We must keep our ties with London, but we must develop the facilities that we can develop best. I do not see Heathrow, Gatwick or even Stansted as the enemy of the Scottish airports. I am more afraid of the build-up of Manchester airport, and of it taking on the role of the airport not only for the north-west of England but for north Britain, as I have often heard. If there is a build-up of Manchester airport, I do not see that bringing any benefit to the Scottish people who want to fly in and out of Prestwick airport.

Therefore, I realise, as someone who is interested in the aerospace industry, that if we do not build up the London airports, the alternative is not Prestwick, Manchester, Liverpool or Birmingham—it is the major airports on the continent of Europe. If we are to maintain our position as a major centre of world air transport, we must develop the London airports.

This is where I have a criticism of the Government White Paper. The Government are giving commitments to build up the infrastructure for Stansted and Heathrow. They must also give such assurances to build up the infrastructure of the Scottish airports, especially Prestwick. I cannot justify the spending of £166 million on better rail connections to Stansted, £150 million on a rail connection to Heathrow, or £25 million to £50 million on an extension of the tube unless we get the same assurances for Scotland. We need direct motorway connections with Glasgow, Edinburgh and Prestwick. We need a railway station similar to the one at Gatwick airport—though not on the same scale—on the main Ayr-Glasgow line, with the halt at Prestwick airport itself. If our infrastructure is built up, the Scottish airports will have a future.

Unfortunately, Scotland has a population of only 5 million. We have four lowland airports. We are all fighting one another for trade. I hope that, now that the Government's policy has been confirmed, the Scottish people will come together, and hon. Members on both sides of the House representing Scottish constituencies will fight to make sure that the Government provide money to build up the infrastructure for the development of Scottish airports.

I also welcome the proposals in the White Paper on the Highland and Islands airports. The Government tried to sell those airports. Luckily for the Scots and the Socialists among the Scottish people, no one would buy them. Now the Tory Government are going to form a public company in Scotland, based in Edinburgh, to run those airports, which I welcome. I hope that when the next Labour Government take over, we shall extend the same policy that the Tory Government are carrying out for the Highland and Islands airports in Scotland to the rest of the airports in the United Kingdom. I hope that we shall renationalise the British Airports Authority and put it under Government control once again.

8.18 pm

Sir Fergus Montgomery (Altrincham and Sale): I shall concentrate on the effects on Manchester international airport of the White Paper. I was delighted that the chief executive of Manchester airport was awarded the OBE in the birthday honours list. Gil Thompson has done an enormous amount of work for the airport in our area. The comments by the hon. Member for Bootle (Mr. Roberts) were unnecessary and had no taste. He should be ashamed of himself for making such a scandalous statement.

There was a statement on 5 June when my right hon. Friend the Secretary of State inaugurated the White Paper. It goes a long way towards meeting the objects of the North of England Regional Consortium. That was and is an all-party group working on behalf of the north. It is a pity that the political prejudices of certain Opposition Members have now taken flight. If they bothered to study the White Paper, they would find that there is a great deal in it for Manchester airport, which was enhanced by the statements on the night of its issue by the airport's chief executive and the town clerk of Manchester. The hon. Member for Crewe and Nantwich (Mrs. Dunwoody) made some silly statements that day. She and the right hon. Member for Manchester Wythenshawe (Mr. Morris) should have known better. They led the parrot cries of Labour Members from the north-west. Those hon. Members were bleating either because they did not understand what my right hon. Friend had said or because they did not want to understand it. There are none so blind as those who do not want to see.

It is difficult to accept that those hon. Members belong to a party which, when in government in 1978, published a White Paper that gave little joy to regional airports. It said:

"The Government rejects the suggestion that the air transport industry should be subject to the damaging restrictions on its operations which would be the outcome of the forced diversion of traffic to regional airports."

I cannot imagine that there was much dancing in the streets of Manchester at that time.

The present Government have done far more than any other for Manchester international airport. We have 6 million passengers per annum and it is expected that we shall have 30 per cent. growth to the end of the decade. The melancholy moaners and Jonahs on the Labour Benches are always asking for more international flights from and to Manchester. My right hon. Friend the Secretary of State said today that of 33 scheduled international services at Manchester, 14 have started this year. I cannot see what Labour Members are playing at.

We must never be complacent. We in the north of England must keep fighting the battles, but I am grateful to my right hon. Friend the Secretary of State for a number of reasons. First, he has confirmed that Manchester is a gateway international airport outside London. Secondly, he has restricted Stansted to a first phase of 7 million to 8 million PPA, with a provision that an increase will have to be referred to Parliament. I am particularly grateful for the enormous help that will be provided to Manchester by the fact that it will be competing with Stansted on equal terms.

I always thought that it was wrong that landing charges at Stansted should be so low because of the subsidy from the profits of the so-called duty-free shops at Gatwick and Heathrow. The fact that Stansted will in future be competing on equal terms with every other airport in this country is good news for our regional airports.

I also welcome the fact that my right hon. Friend has agreed that Manchester's second terminal can go ahead when there are sufficient passengers to justify it.

The hon. Member for Eccles (Mr. Carter-Jones) waxed long and loud about the need for a rail link, but we have to accept that the Government have approved the Windsor link which links the railway systems in the north and south of Manchester. In addition, there are promises in the White Paper of discussions about the provision of a direct rail link to Manchester airport. We have been asking for that for many years and it would give the airport an enormous boost.

We have also had the promise that agreements will be renegotiated to get more international flights in and out of Manchester. I hope that my hon. Friend the Under-Secretary will have some good news to give us when he replies to the debate.

Section 6.29 of the White Paper points out that regional airports have a great part to play and that licensing policy is important.

Licensing policy can have a direct effect on the growth of regional airports. The White Paper confirms that about 13 per cent. of the passengers using Heathrow and Gatwick began their journeys in Manchester's gateway catchment area. It is important to get more international flights using Manchester, and it is essential that any application should be dealt with as speedily as possible.

I remind my right hon. Friend the Secretary of State of what happened with Singapore Airlines. As he said, once Governments got involved, an agreement came quickly —within six weeks. However, before that, Singapore Airlines had been trying frantically to get the flight. The airline wanted to fly into Manchester and the airport wanted it to fly there. Somewhere, there was a stumbling block.

American Airlines now wants to fly from Chicago to Manchester. I recognise that that will require a renegotiation of the Bermuda 2 agreement, but I emphasise to the Under-Secretary the urgency of the situation. I cannot imagine American Airlines being prepared to hang around and wait for a decision. I hope that the application will be dealt with speedily, because I fear that if we do not snatch the opportunity American Airlines will gravitate to an European gateway airport and a great opportunity will have been lost to Manchester.

My information is that American Airlines would like to start its Chicago to Manchester flights next spring. I hope that my hon. Friend the Under-Secretary will give us some idea of the Government's thinking on the issue. I am told that, for protocol reasons, American Airlines was not allowed to write directly to the Department. Apparently, only Governments speak to Governments. I hope that the Government will show American Airlines how welcome it would be in flying to Manchester.

I have also been told that Air Lanka wants to fly direct to Manchester. The opportunities are there. Manchester must be allowed to grasp them.

I do not have to emphasise that it is essential for Manchester, as a hub airport, to have a strong base carrier. That is one reason why hon. Members from the north-west fought last year for British Airways to be the major operator of scheduled services. We are delighted that BA has introduced new services, but I question whether the New York-Manchester route is being pushed as hard as it could be. There should be a substantial demand from passengers to fly from Manchester to New York, but they must be aware that the flight is available. I urge BA to remember how hard north-west Members fought for the airline last year and how much we wanted such flights to be arranged. We hope that British Airways will give us deeds to match its words.

As the base carrier, British Airways should be given the first chance to capitalise on the opportunities offered at Manchester. I note that the White Paper says that foreign airlines also have a role to play in developing a Manchester hub.

The airport authority is doing all that it can to promote the airport. It is building up five-year and 10-year plans to identify routes that, over time, will show sufficiently strong regional demand to justify operations. It is in the interests of northern passengers and the regional economy that those routes should be operated when they become viable.

The first option to operate those routes must be given to British airlines, but if, having been given the opportunity, the British airlines cannot deliver, foreign airlines should be given the opportunity to serve the routes. In other words, British airlines would have the first option on any route identified within the plan for Manchester, but they must not be allowed to prevaricate to prevent a competitor from serving the needs of northern passengers. Blocking tactics at Manchester airport are over.

For example, if a viable route to Pakistan is identified, the opportunity should be offered to British airlines, but if those airlines do not wish to operate the route, bilateral negotiations should seek to open the way for a foreign carrier to serve the route. I trust that my right hon. Friend the Secretary of State will establish a detailed framework in which that could happen. If British airlines do not take advantage of the route opportunities, they can at least gain from the connecting traffic that will be generated on new routes operated by foreign airlines.

[Sir Fergus Montgomery]

It is no longer acceptable for bilateral negotiations on air service agreements merely to look at each route, one for one. They should take into account the wider benefits to be gained, within and beyond the aviation sector.

Tourism is a growing industry here and we must do as much as possible to sell this country to tourists. British airlines successfully sell package holidays to the Mediterranean and other areas. Foreign airlines could do much to boost our tourism.

I do not apologise for concentrating on the effects of the White Paper on Manchester airport. We are all fighting our own corners and speaking on behalf of the people we represent. I welcome the fact that the White Paper shows a willingness to look after northern interests. I hope that we shall see its words put into action and I look forward to the greater prosperity of Manchester international airport.

8.29 pm

Mr. Peter Pike (Burnley): I view the White Paper differently from the hon. Member for Altrincham and Sale (Sir F. Montgomery). I believe that the White Paper is a kick in the teeth for the north of England and the regions. I have made that comment before, and I believe that I am correct. The hon. Member for Altrincham and Sale said that Manchester airport had grown because of Government policy. I would say that it has grown despite Government policy, and that it has grown because of the progressive foresight and management of those responsible for the airport.

I was involved in the late 1960s and early 1970s in the development of Manchester airport when massive capital injections were made in that airport. Such injections have always been made. That is why Manchester airport is so successful, and why it will continue to be successful. The success is due to local management decisions. I resent any suggestion of privatisation in the White Paper.

The Secretary of State said that the only Opposition Member who spoke against privatisation on 5 June was my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody). That was a silly remark, because Opposition Back Benchers were limited in what they could say. The Opposition are opposed to the privatisation of the British Airports Authority.

The White Paper provides few reasons for privatisation. It says that privatisation will provide greater freedom for management and that it will lead to efficiency gains and greater response to customers. I do not accept that. If that is true, why do we not legislate to ensure that the British Airports Authority has the freedom and ability to meet customer demand itself? Privatisation is not justified and I believe it to be the wrong approach.

I recognise that the White Paper tries to reconcile the many different views expressed in January when we had a debate on the subject. That debate revealed a strong view that, for whatever the reason, the development of Stansted airport was not favoured and that hon. Members wanted more development of the regional airports.

The Secretary of State said earlier that the vote on that occasion was only on the Adjournment. That was a silly remark, but one gets used to silly remarks from the Secretary of State. A strong view was expressed. The reasons for that view were different, but the decision was clear and decisive.

The White Paper is a result of that debate, and it tries to provide a compromise. It is the result of pressure from the North of England Regional Consortium and of the Government's failure to obtain full support for their civil aviation legislation. The White Paper does not deal with the problem. It fudges and dodges the issues. It offers nothing positive to the regions.

When the Government produced the White Paper, they had the opportunity to change the direction of Government policy, not only for airports, but for the regions in general. They could have shown their confidence in the regions. I believe that the Government are not concerned about the regions. The White Paper underlines that attitude.

Mr. Roger Stott (Wigan): I wonder whether my hon. Friend heard the argument of the hon. Member for Banbury (Mr. Baldry), who said that we should develop Stansted because of the number of journeys that start in the south of England. I was tempted to intervene and say that 8 million journeys a year originate from the north of England and that that figure was growing. The hon. Member for Banbury asked why those journeys should have to start at Stansted, Gatwick or Heathrow, when they could start from Manchester or Prestwick.

Mr. Pike: That is the whole point of the exercise. People in the north of England and in other regions should be able to travel direct from their local airports. I travelled from Heathrow to Manchester on Friday last week. I caught the 11.30 am plane, which did not take off until midday because at least nine planes were queueing up to take off. The passenger sitting next to me was not a Labour party supporter. He was a business man who lives in the Manchester area. He said that he detested using London airport. He has to travel abroad and tries to use Schiphol rather than Heathrow. That is just one example of a person having to go to the continent to make a major journey when Manchester should provide such facilities.

The vice-chairman of the Labour group on the Lancashire county council said:

> "This is an issue on which all parties of all Local Authorities in the North are united and the Consortium will continue to press for a statement from the Government on the regional disparities between the North and South. We will not allow the Government to gloss over this issue and concentrate public expenditure in the South East. The development of Manchester Airport must be seen as a regional development which will benefit enormously all areas of the North West."

That is a fair expression of the position. I agree that we need the rail link to Manchester airport. That would open up the airport. Earlier in the year I welcomed the Windsor link between north and south Manchester, but we need the next step—the link to Manchester airport.

The White Paper talks about between 38 million and 42 million passengers for Heathrow. The current figure is 29 million. The projected figure for Gatwick is between 21 million and 23 million, when currently 14 million passengers use that airport. The projected figure for Stansted is between 7 million and 8 million, when 500,000 currently use it. It is estimated that at Luton the number of passengers will increase from 2 million to 3·5 or 5 million and that the figure for STOLport will be 1 million. Those figures are biased in favour of the south-east.

People should not have to go to the south to travel abroad. More flights should go from Manchester and other regional airports. That should be positive policy. People would use the regional airports if flights started from them.

Flights from Manchester for charter holidays are taken up very quickly. That forces many others to travel to London by air or by rail to start their journey.

The recent history of regional airports has been affected by unfulfilled Government promises over a number of years. We now need a regional policy which makes a real attempt to eliminate the disparities and to give unrestricted access to all airlines wishing to exploit the opportunities offered by the regional airports. We want a strong commitment to expand and develop the regional airports. It is time that the role of the CAA was changed to make it a priority for that body to ensure that the requirement to develop the regional airports is fulfilled and is not merely the subject of lip-service. I strongly urge the Government to secure the future of the regional airports in that way.

8.40 pm

Mr. Jeremy Hanley (Richmond and Barnes): In general, my constituents and I welcome the Government statement and the White Paper as a realistic assessment of future air travel demand into the next century and the geographical location of that demand. We must satisfy the demand in the south-east. I would have preferred the Maplin solution and the foresight shown in that proposal and I regret that it was voted down. Stansted is now the only viable airport that can meet the demand in the time available. If we do not satisfy the demand in the short term there is no doubt at all that the business will go abroad and we cannot afford that.

My constituents are also grateful that the awful prospect of a fifth terminal at Heathrow has been removed for the foreseeable future and perhaps for ever, but a number of questions remain to be answered. First, if the Secretary of State has taken powers to limit flights at Heathrow, when and at what level of aircraft movements does he intend to use them? Secondly, I know that my right hon. Friend the Secretary of State wishes to improve the environment of those living around Heathrow but there was a glaring absence of any reference to night flights in his statement today. I hope that my hon. Friend the Parliamentary Under-Secretary of State will rectify that omission when he winds up the debate. We need clarification as there has been much discussion recently in *The Standard* and in the local media about why that subject has been left out of the discussions so far. We do not want it to be a wooden horse to increase misery. Thirdly, why is the Thames water authority to be allowed to continue to investigate the removal of the Perry Oaks sludge works?

My constituents utterly rebut the finding of Mr. Eyre that the restriction of air traffic movements makes no significant contribution to the control of aircraft noise. I applaud the Government's actions on this in recent years. In seven or eight months' time, Trident will go and 12 months later foreign equivalents of Trident will also go. Frequency is just as important as noise level. If that is not so, why should there be a limit on Stansted not just for the first phase but for the second phase? We want parliamentary control at Heathrow, too. All airports should be subject to environmental controls over the number of flights. It is a mistake to believe that a reduction in noise should mean an increase in flights. I take the analogy of a little drop of water which is innocent enough by itself, but a constant, unremitting drip, drip, drip becomes Chinese water torture. Heathrow is my constituents' Chinese torture.

If all planes were as quiet as the BA146 and the Boeing 757 with the RB 211 engine, as my hon. Friend the Member for Ruislip-Northwood (Mr. Wilkinson) has said, I am sure that my constituents would not mind an increase in air traffic movements. But all aircraft are not as quiet as that. Nevertheless, the 275,000 ATM limit proposed by the Government is being lifted before the quieter engines come in. That limited but welcome restriction was regarded as correct when the Government introduced the Civil Aviation Bill just a few months ago, but that legislation was rejected by the Opposition, by four Conservative Members as a result of constituency pressure, and by the Liberal spokesman in the Standing Committee. Why, just a few weeks later, has it been decided that that restriction was wrong? If any one of those dissenting members of the Standing Committee had taken a different view, that limit might now be law. The pledge given at the inquiry into the fourth terminal has now been reversed.

Mr. Bill Walker (Tayside, North): If my hon. Friend reads the *Official Report* of the first sitting of that Committee, he will realise that I did not vote as I did as a result of constituency pressure, of which there was none.

Mr. Hanley: I apologise to my hon. Friend. I accept that that was true for him, although not for the other three Conservative Members.

Night is the only time when there is any respite from the possible maximum of 72 flights per hour at Heathrow. It is not good enough to suggest, as the Eyre report does, that double glazing will bring relief. We cannot double-glaze people's gardens, nor can we double-glaze Kew gardens or Richmond park, and people cannot sleep comfortably on warm summer nights with the double glazing closed. People are entitled to some respite, but even then the existing 15 to 20 night flights disturb their sleep. Section 8.2 of the White Paper states:

"There is no absolute measure of disturbance from aircraft noise".

But there is—it is called absolute misery.

There is another reason for limiting the number of flights. Perhaps it has not been mentioned so far because we find it too uncomfortable. Nevertheless, it must be stated, and not just to be alarmist. I refer to safety. We have been lucky that there has been no major accident over a built-up area of London when many other cities have suffered terribly in this way. We are lucky that there have not been more such accidents world-wide, but there have been some, and lives have been lost. Hon. Members should consider what would happen if a really serious accident took place over London. We have been blessed with good fortune but if pressure grows to increase the number of flights, and if the time between planes taking off and landing is reduced, the unthinkable will happen some day. The worst of all turbulence is caused by the vortex behind the bigger planes. We need fewer, not more, large planes if the excellent safety record that we have enjoyed so far is to continue. The airlines will attempt to increase the number of flights to the maximum, but the Government must carefully monitor the spacing of flights and not allow an increase beyond what is absolutely safe.

On both safety and environmental grounds there must be a limit. We are not all killjoys or environmental Luddites in Richmond and Barnes. We do not turn our backs on the demand to fly or pretend that we do not use Heathrow airport ourselves. Through our suffering we

[Mr. Hanley]

have contributed to the growth of one of Britain's major industries—the aircraft industry—but enough is enough and it is time to spread the load. We should like to have the best airport in the world, but we do not believe that it should built inside the M25 close to one of the biggest cities in the world. We do not believe that the best airport in the world should have aircraft flying directly over 3 million people and affecting 5 million people indirectly.

Planning permission for the fifth terminal has been withdrawn, but there has been much comment on the Government's invitation to the Thames water authority to investigate the removal of the Perry Oaks sludge works and 1·5 million tonnes of sludge. There are still questions to be answered. I accept that it is a very valuable site—doubtless extremely valuable to a privatised Thames water authority or a privatised British Airports Authority—and much could be built on it, whether it be warehousing, factories or whatever. The fact that the sludge works might be removed will improve the value of both airport and water company, but it is time to rule out any possibility of a fifth terminal being built on that site, which would almost double the number of aircraft movements. Speculation about grandiose schemes of that kind should not be allowed to flourish and to cause anxiety as they have in recent weeks. In any case, it will cost millions of pounds to remove the sludge works and it will take years to go through the public inquiries and planning procedures all over again. It would be far fairer to the potential shareholders of the BAA and Thames water to clear up the prospects now.

I greatly welcome the encouragement given to the expansion of the northern airports. It is strange that many hon. Members have steadfastly refused to recognise how Government policy has increased the number of destinations from Manchester airport by more than 75 per cent. in the last 12 months. This Government really have done something for the northern airports, and they have done wonders for the numbers of people flying out of Manchester. Why would there be celebrations about Singapore Airlines if it were not for the Government's policy on liberalisation?

Perhaps in 15 years' time there will be even greater demand in the north. It is up to the north to prove that demand and to try to get people to fly from Manchester to foreign areas. We in the south do not want to accommodate those who do not want to come, but other areas must prove that demand and work for it. There must be an equitable spreading of the burden and a recognition of the reality of the unpleasant side of aeroplane travel. My constituents realise that aircraft noise will not go away entirely. However, it will reduce, and numbers must not make up the equation.

There is nothing sinister in trying to improve access to Heathrow. In particular, we must improve the rail network. The improvement to infrastructure is not a wooden horse. Existing facilities and levels are bad enough now, and they will get even worse if there is an increase in the number of flights. Luggage carrying must be catered for, as it is at Gatwick.

I therefore welcome this White Paper, but I beg an answer to these questions.

8.51 pm

Mr. Tony Lloyd (Stretford): No other debate in this Parliament has typified the gulf that exists between the north of England, Scotland and Wales and the south-east cult which has permeated our discussions. The hon. Member for Richmond and Barnes (Mr. Hanley) talked about the problems of his constituents who cannot sleep without double glazing. I sympathise, but my constituents cannot sleep because of the problem of lack of jobs. The unemployment rate in Manchester is twice the national average. In my constituency, there is 50 per cent. male adult unemployment within 15 minutes of Manchester airport. That is why the development of Manchester is so necessary, and that is why the Government have not done enough.

The White Paper deals with the future development of the London airports and the role of the regional airports. Much is summed up in that philosophy. In effect, it says that for London airports one should read "national" and that the regions comprise the rest. We are told that civil aviation is vital to our prosperity, but that means the prosperity of the south-east, with the regions taking their share of what is left.

I speak in defence of Manchester airport, but I am confident that I speak for the airports of Scotland, the north-east, and Yorkshire —*[Interruption.]* The right hon. Member for Western Isles (Mr. Stewart) nods in agreement. I am glad, because this is a common cause outside the south-east.

Throughout the White Paper we are told that an airport creates employment. It does so in the south-east, but if that prevents the development of airports in the north-west or any other region employment does not matter. This Government of two nations have a national airports policy for the south-eastern region and a regional airports policy for the rest.

However, it would be uncharitable if I did not recognise the fact that the Secretary of State has moved some way towards recognising the case put forward by the North of England Regional Consortium and others who have lobbied him. I pay a limited tribute to the Government in that what we now see has been modified compared with what we saw at the beginning of this year and last year. We have made some progress, although not enough.

I also concede that at the third time of asking Singapore Airlines was given its route into Manchester. That is welcome, but we do not welcome the fact that the Government have not yet put pressure on other airlines with licences to operate those routes. The Government are not in negotiation with the United States Government and others to bring other airlines into Manchester where, as the hon. Member for Altrincham and Sale (Sir F. Montgomery) said, there is a proven demand. We do not need lessons and lectures from the hon. Member for Richmond and Barnes that we need to prove the viability of our airports. That is mere cheek and insufferable pomposity from someone who, rightly, is trying to protect his own constituents but is denying my constituents the right to fly from their own airport. My constituents know where they want to fly from. They live only minutes down the road. This is one of the largest unemployment black spots in the country, yet it is a mere 15 minutes from the airport. Manchester needs that airport for its economic prosperity. We need that airport, because in a modern economy it is not satisfactory to have airport infrastructure

based on one region. If the industry of Manchester and other areas is to be resurrected, it is not satisfactory to have our air traffic shipped through the south-eastern airports. We demand that we be given viable national hub airports. That is what Manchester is asking for, and that is what it needs, given the size of the city. That is what it needs as the prime economic region of the north-west.

That is also mirrored in the needs of the other regions such as the west midlands, Scotland, Wales, the north-east and Yorkshire. The Government should not take the view that because of their inertia they have a policy that does not treat the regions unfairly. They must not lose sight of the fact that the action they have taken inevitably favours the south-east. All the British airlines have failed to develop Manchester and the other regional airports, and they will operate on the safety-first principle—that it is far safer to go into Heathrow, Gatwick or Stansted rather than adopting the entrepreneurial stance which the Government favour and proving that it is viable to operate from Manchester and other regional airports.

We welcome the Secretary of State's comment that there will be no hidden subsidy for Stansted airport. However, I believe that that promise is akin to the already criticised promise about air traffic movements at Heathrow, which showed that when it suits the Government to change their mind there is a change of policy.

My right hon. Friend the Member for Manchester, Wythenshawe (Mr. Morris) challenged the Secretary of State to say whether he would do something immediately about cross-subsidisation. The right hon. Gentleman said that he does not yet have the power. But he certainly has the influence. If he says to the BAA that he will insist that it takes this action, is he seriously telling the House that the CAA will say, "No"? Is he seriously saying that if he were to threaten adding a rider that the CAA management should conform with his wishes, he would be told, "That is none of your business. We will not do that"?

If the Secretary of State is telling us that, he is literally not a fit person to command his office. He should take that action, in the interests not only of Manchester airport but of all BAA airports, in Scotland, elsewhere in the north and even at Heathrow and Gatwick, because every person who flies through them is subsidising passengers going through Stansted. It is in the Secretary of State's power and patronage to take this action, and he should do so tomorrow morning, if not tonight, if he is genuine about his commitment that charges will rise at Stansted. The charges will begin to rise if he tells the BAA to put them up, because it will listen to him. It would be foolish and dishonest to pretend otherwise.

Manchester needs the unfreezing of the present structure of the licensing policy. We want unrestricted access to Manchester because we know that there is a future for an airport of that size in that region. We have already seen the pattern of charter flights and what happened in that market. The restriction of the system under the present structure is a disadvantage to regional airports but is an advantage to the safety-first policies of the airlines and the south-eastern airports. By unfreezing the structure we can offer not only Manchester airport but, more generally, the Manchester economy some help.

I remind the Secretary of State that some time ago he said that there would be no subsidy to develop Stansted and that the £270 million from private capital was a modest amount of money. That modest amount of money would so dramatically transform the economy of the north-west that we would gladly see the development of Stansted there, but under this Secretary of State we shall not see it because his commitment is not to the northern region. He represents the south-eastern region.

9 pm

Mr. John Mark Taylor (Solihull): As the protagonists of north and south take a short, compulsory break in these affairs, perhaps I might be permitted to say a word for the English midlands, and in particular for Birmingham airport. It is not in my constituency of Solihull—although it lies in the borough of Solihull—but in the constituency of my hon. Friend the Member for Meriden (Mr. Mills). I think that he will agree that Birmingham airport is possessed of uniquely fine surface communications—surface access as my hon. Friend the Member for Ruislip-Northwood (Mr. Wilkinson) described it.

Birmingham airport has a frontage to the A45, M45 continuum to the M1. It is on the crossroads of the M6 and the M42, leading to the M69, and northwards again to the M1. It is flanked by the London to Birmingham railway, a famous railway that has a marginal utility in the other direction as well. From the airport to the station there is the unique Maglev. The hon. Member for Birmingham, Erdington (Mr. Corbett) accidentally I think called it a pneumatic operation, and said that it operates from the car park. Actually it links the airport terminal and the station using a unique piece of technology—magnetic repulsion providing the weight support for the vehicle and its passengers. On the same campus, in the National Exhibition Centre, we have the foremost exhibition centre in the United Kingdom.

The airport is a municipal one, and, under the ownership and management of the West Midlands county council, a splendid new terminal has recently been completed. I was involved, and pleased to have been so, in the municipal decision and subsequently in another place in securing some funding from the European Investment Bank. I pay tribute to the architect, Mr. Alfred Wood, and to the airport manager, Mr. Bob Taylor. In short, we have an excellent airport, well able to take its place in a free and fair aviation market.

Birmingham's ambition, which is a good one, is to consolidate a basic framework of scheduled aviation operations and, as an overlay to that scheduled framework, it can expect to provide a comparable amount of charter aviation and some general aviation as well. The Birmingham airport lobby asks only of my right hon. Friend the Secretary of State that he keeps our merits in his mind whenever he considers and reviews airport policy. It is asking not for any favours but that he does not give its competitors unfair advantages over it. That is I think a very reasonable request for one of this Government's supporters to make of them.

I make one other request to the Secretary of State, and it is a more local one. I ask him, please, to hasten the transition to plc status and encourage private equity holding in the airport. However, until that process is completed, I ask my right hon. Friend to ensure that he protects the standing of Solihull borough council and its proper desire to see one of the most important assets in the borough move to the desired new ownership in a proper, responsible and organised way.

9.5 pm

Sir Walter Clegg (Wyre): This has been a most interesting debate. The hon. Member for Crewe and Nantwich (Mrs. Dunwoody) was almost incoherent in the way that she put forward her own policies and criticised those of the Government.

Having an interest in the North of England Regional Consortium, I was struck by the fact that, even though it is supposed to be an all-party group, the response of Opposition Members from the north to the contents of the White Paper was such that I was made to feel that the all-party aspect of the consortium could stand very little more of that niggardly attitude.

The consortium said that it

"recognises that the strength of its case has forced the Secretary of State and the Government to impose drastic modifications on the proposals which the BAA were invited to bring forward in 1979 and which were largely endorsed by the Eyre report."

That is a very fair assessment. We have talked a great deal to my right hon. Friend the Secretary of State about the regional problem, and he has understood it completely.

Of course, the regions have reservations, especially the north-west region. They want to be sure that there will be no cross-subsidies at Stansted. My right hon. Friend referred to that, and I can assure him that we shall be watching to see that there are no subsidies to Stansted. It is vital to the development of air traffic into Manchester that there is no cross-subsidy. We want fair competition.

We also welcome what my right hon. Friend said about the rail link and that probably we shall have a report on the Manchester link before we get one on the Stansted link. Opposition Members representing northern constituencies have failed to acknowledge that a great deal has been done by Governments of both parties in the past to ensure the availability of road services to Manchester airport and the development of the environment round the airport. Therefore, there is only the rail link to complete the pattern of access to Manchester airport. We already have a magnificent series of motorways round it. If we can get that rail link, we shall have completed the pattern.

The White Paper is clear that Manchester will be the international airport for the north of England and the midlands outside the south-east, and we want that to continue.

The other problems of the north have been somewhat overlooked. I have in mind the smaller regional airports, and I think especially of Blackpool, which is quite close to my constituency. The development of the STOLport in London's docklands giving access to aircraft from the north-west capable of landing and taking off in a short distance would be a great advantage to the smaller airports in the north and feeder airports such as Carlisle and Liverpool.

The airports in the north-west need to be assured that they will have continued access to Heathrow for a considerable time to come. My right hon. Friend the Secretary of State put Manchester's problem admirably. More flights into Manchester are needed. It has the capacity to absorb another 35 per cent. before another terminal would need to be considered. The White Paper refers to the possibility of a second terminal at Manchester. Perhaps British Airways should consider making Manchester airport its hub for the north. The White Paper clearly envisages that possibility.

My right hon. Friend has had a difficult task to perform in formulating his conclusions, and he has been criticised by almost everybody. He has had to take some very difficult decisions. Because of the pressure that it has been able to apply, the North of England Regional Consortium has produced a good result for the north. We ought to welcome it, not criticise it.

9.10 pm

Mr. Sydney Chapman (Chipping Barnet): I am grateful for the opportunity to make a short contribution to this debate. It is good to follow my hon. Friend the Member for Wyre (Sir W. Clegg). May I concentrate on that part of the White Paper that relates to the proposed expansion of Stansted. Perhaps I should preface my remarks by saying that I cannot detect any benefit of convenience to my constituents if that airport is expanded; nor can I detect any environmental disadvantages. Therefore, I hope that I speak with a reasonably open mind.

I realise that my right hon. Friend the Secretary of State has had to take some appallingly difficult decisions. I understand and sympathise with the general thrust of his recommendation—that there should be a gradual rather than a radical approach to the provision of airport facilities in the south-east of this country. However, the expansion of Stansted to 7 million to 8 million PPA will have serious environmental consequences. If that expansion takes place, we shall be creating not only a third airport for London—and an international airport, to boot—with a sixteenfold increase in the number of passengers using the airport; we shall also be creating the equivalent of a new city in what by any criterion is beautiful English countryside.

I disagree with the Eyre report about the likely expansion, not of developments within the curtilage of the airport, but of the facilities without that are linked to a modern international airport. If Stansted is substantially expanded, effectively we shall give the green light to the maximum capacity use of a single runway airport. This has happened at Gatwick. There may be only 7 million to 8 million passengers, but ultimately there will have to be a second terminal, with 25 million PPA using the airport. That problem has to be faced now rather than later. That cannot be allowed to happen by default in a few years' time.

I cannot accept some of the Eyre report's conclusions about the environmental consequences. The report says:

"Harlow, Bishop's Stortford, Stansted and its environs can accommodate the order of development associated with the expansion of that airport."

I do not believe that that will be so. I speak with the perhaps modest authority of being a fellow of the Royal Town Planning Institute, which obviously takes some interest in town and country planning. I cannot believe the Eyre report's conclusion that the

"balance of urban growth can be accommodated by relatively modest increments to existing towns and settlements, without unduly affecting the character of the area or abandoning the policy of general restraint."

I believe that the exact opposite will happen on almost all counts.

We are accepting a decision to increase Stansted's size from 900 acres to about 2,300 acreas, and we are using some of the highest quality agricultural land in the country in order to do so. We are talking not only about a new terminal building of 1 million sq ft, a maintenance area, and all the cargo handling and rail and motorway link roads that will be necessary, but, in the case of Harlow

—to quote the report — about "relatively substantial urbanisation growth." In the case of Bishop's Stortford, there will be "airport related residential development".

I am appalled by the report's admission that the green belt to the east of Harlow would go. As president of the London Green Belt Council, I must say that it is quite wrong for Mr. Eyre to suggest that it would have gone anyway. I believe that far more than 10,000 extra dwellings will be needed in the vicinity of the airport in Hertfordshire and Essex.

I detect a strange theme running through the Eyre report when it addresses itself to environmental issues. Mr. Eyre seems to be minimising the adverse environmental effects involved in a one-runway airport expansion, but maximising and underlining the evil consequences of a second runway, which he says would be a

"grotesque invasion of pleasant countryside."

The report says that it would have "grievous visual consequences" which would be "wholly unacceptable". If that is so for a two-runway airport, it must be partly true for a one-runway airport.

From my study of air traffic growth forecasts, I believe that the forecasters have nearly always got things wrong and have nearly always overestimated. Of course, they may be right now, but we should be slightly cautious about the figures. If I am opposed to the expansion of Stansted to the 7 to 8 million PPA mark, let alone the 15 million mark recommended in the report, my right hon. Friend the Secretary of State is perfectly entitled to ask what policy should be adopted. I believe that we must utilise to the maximum the existing facilities at airports in the south-east. We must go for the maximum 25 million passenger throughput at Gatwick, and we must accept that Luton should be encouraged to take the full 5 million. I add to those figures the 1 million that will come with the STOLport, which is an eminently sensible development.

Existing capacity at Stansted amounts to 2 million passengers, although at present it is only a quarter utilised. However, Stansted could take 4 million passengers. I think that that would be the maximum throughput of passengers for Stansted, using its existing perimeters and existing parameters. Ultimately, we must develop terminal 5 at Heathrow. I cross swords with some of my hon. Friends, as I believe that that is the most ideal parcel of land in the south-east of England; and even in England, for airport development, and I do not believe that the development of terminal 5 would have any perceptible effect on the level of noise. I join those of my hon. Friends who have said that the 1986 and 1988 regulations on noise will be a considerable help and will substantially improve the noise level in the Heathrow area over the next few years.

Compared with Gatwick, Stansted has poor rail links. It is not only further from central London, but the rail link would have to go into King's Cross, which is substantially further away from central London than Victoria. Stansted also has a poor road link compared with Heathrow.

I have absolutely no hesitation in saying that if Stansted is expanded and developed along the lines of the White Paper it will become the charter and tourist air traffic Mecca of the south-east. It is in that area where, with imaginative and positive planning, more than a marginal amount of traffic could go to the regional airports.

It is for those reasons that, I regret, I cannot support the White Paper. We all tend to use selective statistics to the best advantage in making our case. If the Government accept that the existing Stansted airport, within its perimeters and parameters, could take a throughput of up to 4 million or possibly 5 million passengers, what the White Paper is doing is embarking upon the building of a new international airport for the south-east which is ill placed strategically and in the most sensitive and important environmental area, simply to cater for an additional 2 million to 3 million passengers.

The Government have the wit to find alternative ways and other sites to provide for those additional 2 million to 3 million passengers. It is because of the appalling environmental consequences that I regret to say that not only can I not vote for the Government motion, but that I feel impelled to vote against it.

9.21 pm

Mr. Andrew F. Bennett (Denton and Reddish): I welcome the opportunity to follow the hon. Member for Chipping Barnet (Mr. Chapman) because I agree that the development of Stansted will be environmentally disastrous for the south-east. It will also be disastrous for the country as a whole. The Government are again allowing so many national resources to be invested in the south-east rather than in the north-west.

I do not believe that any Government, of any party, have given much help to Manchester international airport. It has reached its present position because of straightforward municipal enterprise and has prospered in spite of Government rather than because of them.

I regret that many Conservative Members from the north-west appear to have been bought off by the Government, and in exchange for very little. All that the Government have done is to license a few additional routes into Manchester. Some of the routes are not that important. Indeed, it is not the number of routes but the frequency of the service that is the key to whether the routes are used. It is unfortunate that some hon. Members have so easily given up on the north-west and are not prepared to sustain pressure on the Government.

I would have more sympathy for the Secretary of State if he would deal with the cross-subsidy of Stansted. Earlier in the debate he said that there was nothing that he could do about until he had legislation. He knows perfectly well that if he told the BAA that he wanted the cross-subsidy stopped, there would be a good chance of that happening and of him being able to enforce that. He would carry a great deal more credibility in Manchester if that happened this year rather than next year or the year after. It is certainly one of the issues on which we shall press him hard.

There is also the psychological problem that causes a great deal of resentment in the north-west — the assumption by travel agents and others, especially in the south of England, that it is perfectly reasonable for someone in Manchester to work out how to get to Gatwick, Luton or Heathrow, but it would be absurd for people in the south-east to work out how to get to Manchester. We must convince people that already in many instances it is much easier to get to Manchester international airport than to many of the airports in the south.

Not only is there a psychological problem, however, but there is the problem that the Government have not paid sufficient attention to building up the infrastructure around Manchester international airport. The hon. Member for Wyre (Sir W. Clegg) said that there were superb motorways into Manchester airport. While it is true that the roads coming from the Wirral and the north are quite

[Mr. Andrew F. Bennett]

good, the routes coming from around the Manchester area, including the M61—we must not overlook the Barton bridge problem — create a major bottleneck, and business people using that airport are constantly complaining that the two lanes over Barton bridge become a traffic congestion area every morning and put people off using the airport.

From the east side of Manchester, the fact that the M66 still has not been built and that, up to now, there has been only public consultation on it is a handicap. It would make a great difference if that were completed, as it would if the piece of the M63 in my constituency, from Portwood to Denton, was built, improving the link to the M67 and the Sheffield area. There is much that the Government could do in terms of the motorway network around Manchester which would have a big effect on Manchester international airport.

In the short time available to me I wish to concentrate on the rail link. It is sad to think that, although Manchester international airport is within two miles of the railway and that for the last 10 years people have been talking about making the link, the furthest we have got is a feasibility study. I accept that many airports are within two miles of a railway line. However, the line of which I am speaking, coming from Wilmslow to Manchester, would enable the station to be called airport station. I assure the Secretary of State that the addition of that two-mile railway link would make a tremendous difference to the airport.

In his opening remarks, the right hon. Gentleman said that he would consider the feasibility study carefully. I press him hard to do that. He should study in detail the position of British Rail in the matter. At present, BR is running a major advertising campaign and is trying to draw people away from the Manchester-Heathrow shuttle and on to the railways. In virtually all the stations in the Greater Manchester area are pictures of an aeroplane with the question:

"How can you improve the shuttle? Turn it into a train."

I do not blame BR for that sort of advertising, although I must, cynically, point out to BR that if only it had kept its existing services up to May, particularly in terms of the time it takes to travel from Manchester to London, rather than reduce the frequency of trains — particularly dispensing with some of the early trains which enabled passengers to get from Manchester to London early in the morning — it would have done better in terms of competing with the shuttle.

Many people fear that because BR sees itself competing with the Manchester-Heathrow shuttle, it is less sympathetic to putting in the two-mile rail link of which I spoke. I repeat, it is vital that that rail link is made. It would improve the journey time for many people travelling to Manchester airport, and I hope that the Minister will examine that with great care.

Attention must also be paid to developing the cargo aspect of Manchester international airport. I appreciate that much cargo travels with passengers, but more could be done in business terms, with more destinations for cargo. Nowadays, many items of machinery are sent by plane, and that trade could be developed.

In relation to interlining, it has been pointed out that Heathrow is becoming less attractive for people from Manchester, particularly in view of problems with delays at Heathrow. The size of the airport make it unattractive. People in the north-west want the opportunity to have through services to their destinations in Europe, rather than having to consider interlining at Amsterdam or one of the other European centres.

It would be wholly unacceptable to the people of the north-west if they had to interline through an airport such as Stansted. They would regard that as deplorable. They want the necessary services provided at Manchester.

I appeal to the Government to permit more licences in Manchester and to come up with some of the basic money for the infrastructure of Greater Manchester, which would help the airport to expand, encourage an improved road network and establish the two-mile rail link, which would make a great difference in practical and psychological terms in that it would help to convince people that Manchester international airport had a major role to play in Britain's airports policy.

9.30 pm

Mr. Terence Higgins (Worthing): I am sorry that my Select Committee duties prevented me hearing the speech of my right hon. Friend the Secretary of State for Transport. My contribution to the debate will be appropriately brief. I wish to take up some of the issues which have been raised in the speeches of those who have contributed to the debate following my right hon. Friend's introduction.

My right hon. Friend the Secretary of State is right to ask the House to approve the White Paper. His policy of having adequate airport capacity with the minimum environmental damage seems to be exactly the right approach. Gatwick is already the fourth largest international airport in the world and my right hon. Friend was right to say that there should not be a second runway. Some time ago the West Sussex county council and the British Airports Authority came to an agreement on the issue. If we had opted for a second runway, the damage to the environment would have been considerable. Development around the present airport has been greatly increased by the existence of the airport and by industrial and light industrial expansion. If there were to have been further expansion, the almost total build-up between London and the south coast, with virtually no countryside intervening, would have had a serious impact.

The second reason why I am glad that we did not opt for a second runway at Gatwick is based on aircraft noise. Over the years aircraft noise has caused considerable trouble in my constituency. Originally, there was great trouble over the noise caused by piston engined aircraft. Eventually we managed to get the route changed but only after General de Gaulle's death. It transpired that the route went over Worthing so as to avoid the general's country home. Subsequently, I had a sympathetic response from the Civil Aviation Authority when the stacking area was moved from above my constituency to a less highly populated part of the region.

Aircraft noise is a serious problem and I am disturbed by the references in the White Paper to night flights. Unless I have misunderstood the White Paper, it is curious that there is reference to night flights in the summary and conclusion but not in the sections that are directed to aircraft noise. This is a factor that my right hon. Friend will be right to consider in the light of the study that is being carried out into sleep disturbance.

In directing my remarks to sleep disturbance I shall talk of Heathrow as well as Gatwick. I find little justification

for aircraft flying over central London at three o'clock or four o'clock in the morning. I hope that my right hon. Friend will carry out a further review of policy in the light of the study that has been undertaken. I hope that he will consider also whether there is not a case for a ban on night flying. If capacity is extended generally, the need for night flights should be reduced significantly.

My right hon. Friend's decision on Stansted is the right one but it raises a number of difficult questions. Much reference has been made in the past few speeches to cross-subsidy and I welcome my right hon. Friend's determination to ensure that that does not create a false balance between the various airports that are now projected. I welcome very much the action that my right hon. Friend is proposing to take following privatisation to prevent a monopoly position being exploited by the privatised operation. A separate plc under a holding company should provide a solution, especially if it is supervised by the CAA. Emphasis is placed on the need to charge a commercial rate of interest in the context of investment decisions.

I hope that the Treasury will take up the frequent recommendations of the Select Committee on the Treasury and Civil Service and will not continue to treat the proceeds of privatisation as a reduction in public expenditure. I hope that it will regard the proceeds as a means of funding the public sector borrowing requirement, which seems to be the more rational approach.

We shall have to be rather careful in deciding exactly what it is that we are privatising. It is well known that a great deal of the revenue that is derived from our airports comes from duty-free shops, which are effectively retail shop concessions. In the context of the statements in the press today about the harmonisation of internal taxes and value added tax, for example, within the Community, we should consider whether the duty-free arrangements will continue indefinitely. If they are not to continue, what is likely to be the effect on airport revenues? We may be selling off something which in the event turns out to have a comparatively short life when set against the length of life which airports typically enjoy.

The overall balance that my right hon. Friend the Secretary of State has struck is right. It would not have been possible to produce a solution that had the support of every hon. Member. There are many who, in no circumstances, want further airport capacity and many others who say that we need it. My right hon. Friend is doing all that can reasonably be done to encourage regional development. It would perhaps be going too far to say that the balance was a judgment of Solomon, not least because, effectively, my right hon. Friend has been faced with the proviso that various aspects of the industry have to be split up between the various claimants, whether he likes it or not. My right hon. Friend has struck the right balance and I hope that the House will approve it. As my right hon. Friend said when stating his objectives, the measure will provide adequate capacity with the minimum disadvantage to the environment.

9.35 pm

Mr. Bowen Wells (Hertford and Stortford): Thank you, Mr. Speaker, for calling me to speak for the first time in a Stansted debate on behalf of my constituents of Bishop's Stortford, Sawbridgeworth, Hertford and Ware whose area will be most affected by the urbanisation and housing aspects about which my hon. Friend the Member for Chipping Barnet (Mr. Chapman) spoke so eloquently. I acknowledge the great help and sympathy that my right hon. Friend the Secretary of State and his Ministers have exhibited and the courtesies that they have extended to me and others who represent the area most effected by the White Paper's proposals.

If, during my speech, I appear to be bitter and angry, I hope that the House will forgive me, because the decision to build a large international airport at Stansted is a source of deep resentment and anger for many of my constituents, who have been fighting this development for more than 25 years through three different public inquiries. They have paid the bills in both time and money to resist successfully the possibility of locating a three or four runway system at Stansted. They have now been told that, because a runway built by the Americans in 1947 can accommodate additional air traffic movements, they must accept an airport which is initially capable of handling more traffic than is at present handled at Gatwick and potentially able to handle at least 25 million PPA — just under the number handled at Heathrow at present.

With Gatwick, Stansted is the obvious site for a second runway, should it be needed, simply because open fields provide the required space. Apart from our vigilance and resources, we are comparatively defenceless in the face of the much larger number of Members of Parliament who represent more populous constituencies around Heathrow, Gatwick and Manchester. Perhaps even more importantly, we are unable to muster the resources of the Government or the British Airports Authority to present and plead our cause before inquiries or Government Departments. The selection of Stansted for expansion is inevitable, not just because of the figures presented by the inspector, but because we can command far less political clout.

There can do no doubt, whatever else is said, that the White Paper does not present the best solution to our airport problems. It presents a solution for which my right hon. Friend the Secretary of State believes he can obtain a majority in the House. It is as cynical and repulsive as that to my constituents. Let us be clear: it is the wrong policy.

What would be the best policy? I hasten to explain that my constituents are prepared to make the necessary sacrifices in the national interest to provide the necessary airport facilities in the London area, should they be required, and to allow Stansted to expand to meet market demand unimpeded by BAA's financial requirements to make a 15 million PPA terminal pay. The present capacity of each of the airports should be, and must be, fully utilised. My right hon. Friends say that that is their policy. Not only should the capacity be fully utilised to save my constituents from the noise, pollution, urbanisation, traffic congestion, and the ruination of thousands of acres of agricultural land which already the areas round Heathrow and Gatwick must tolerate, but because it makes industrial and commercial common sense.

For passenger and cargo interlining on scheduled services — a unique advantage with which Britain's geographical position endows us—we need one London airport, not three. It is that feature that would distinguish us from the European alternatives in Frankfurt, Paris and Amsterdam. We need two London airports only as a second best; with three we lose our commercial advantage over the European competition.

If proof is needed, look at the failure to get airlines to move from Heathrow to Gatwick. Iberia Airlines refused

[Mr. Bowen Wells]

to move to Gatwick. British Airways moved to Gatwick because the Spanish airlines said that if they were moved out of Heathrow British Airways would be moved out of the central airport in Madrid. Having said that, I should like to examine the alternatives to the White Paper under the following headings: a terminal 5 at Heathrow; a second runway at Gatwick; Manchester; Stansted; urbanisation and denationalisation.

Terminal 5 at Heathrow is clearly necessary for the development of that airport, in order to accommodate traffic not only in passenger numbers—on which we have tended to concentrate too much in the debate—but in terms of the number of aircraft coming into Heathrow. My hon. Friend the Member for Saffron Walden (Mr. Haselhurst) poured scorn on the Secretary of State for accepting different figures for airport runway capacity at Heathrow from those enunciated by Mr. Eyre in his report after a three-year inquiry. There is undoubtedly additional runway capacity at Heathrow which should be fully utilised if the Secretary of State is to be consistent with his original policy aims.

Terminal 5 at Heathrow not only offers additional passenger capacity; it offers cargo capacity, car parking capacity, and airport-related activities which are not at present entailed within the confines of the airport boundaries, much to the disadvantage of those who live around that airport.

Terminal 5 would improve Heathrow airport so that it would no longer be a second-rate airport. Most of us have had to suffer the indignities of travelling through Heathrow. I refer particularly to terminal 3. The airport needs drastic improvement. It needs it not only at terminal 4, which will be a great improvement, but terminal 3 needs to be reconstructed, as does terminal 1. Terminal 5 is needed to take the additional capacity while those improvements are being made.

In particular, we need a first-class international airport so that we can receive our valued guests in the way that we would like to receive them. They should not have to arrive at a second-rate, scruffy airport, much of which does not work. The building of terminal 5 is necessary not merely in statistical terms and in terms of passenger movement; it is necessary from every other consideration, so that we can be proud of our premier airport.

As my right hon. Friend the Member for Worthing (Mr. Higgins) said, a second runway at Gatwick would undoubtedly create a miserable additional environmental imposition on the area round Gatwick. My right hon. Friend's plea and that of my hon. Friend the Member for Crawley (Mr. Soames) are equally valid in relation to Stansted; in fact, more so. The policy advocated in the White Paper will mean visiting upon Stansted the indignities visited upon those in the Gatwick area. As such indignities are not imposed on Stansted at present, the proposal would create a third misery area when we need have only two.

There is no quarrel between me and hon. Members who advocate Manchester as a second hub airport for Britain. I hope that my right hon. Friend will urge the CAA and his officials to ensure that airlines wishing to come to Britain can go to Manchester if they choose, and that Manchester will be developed. It is nonsense to bring people down our roads to London airports. The hon. Member for Denton and Reddish (Mr. Bennett) complained about the inadequacy of the motorways around Manchester. There is no motorway around London, let alone cross motorways to the east, west, north and south. None of the London airports is as well served as Manchester.

The crying need for a rail link is to Heathrow, not to Manchester or Stansted. Heathrow needs a dedicated rail link to alleviate the congestion from the airport into west London. My right hon. Friend should develop Stansted, as he proposes, only if he wishes to make the Finchley road as impassable as the Cromwell road. I am sure that he does not wish to do that.

My hon. Friend the Minister for Housing and Construction has been dealing with this matter. I received a welcome letter from him today. My hon. Friend said that the inspector's recommendation for an initial 7 million to 8 million PPA at Stansted had been accepted. My hon. Friend the Member for Chipping Barnet and I do not believe that limit will be maintained. My hon. Friend the Minister said that only 10,000 dwellings would be needed and that they could be accommodated within the curtilage of Bishop's Stortford, Sawbridgeworth, Harlow, Birchanger—a neighbour of Bishop's Stortford although in Essex—one other small village, and Stansted.

If my hon. Friend has accepted the expansion on that basis, he should not approve planning applications that the district councils have refused. I believe that only 5,000 dwellings should be needed—half the figure—because the passenger figures have been halved. The district councils have been refusing planning permission and—I believe cynically—there has been a refusal to establish a green belt to protect Bishop's Stortford. I am sure that they did that because they wanted to keep open the option to expand Bishop's Stortford when Stansted was developed. My hon. Friend the Minister said that when he considers the establishment of a green belt around Bishop's Stortford he will take into account the alteration to the structure plan. We shall all be watching that carefully and we shall be vigilant to guard against any encroachment.

On the advice of my hon. Friends, I went to see members of the BAA on Friday. I had great difficulty in obtaining an appointment with any of BAA's senior people. They eventually agreed to see me at 8.30 am. I went to plead, after consultations with the leading group that has opposed the development of Stansted for 25 years, that the BAA should increase the terminal capacity incrementally. That is what the inspector's report recommended and what my right hon. Friend intends.

I told the authority that we could gain a reluctant acceptance of and play our part in the national airport strategy if the authorities agreed to build the terminal to take only 4 million to 5 million passengers initially. I have never come away from a meeting feeling so angry. Those members of the BAA should take a course in the Industry and Parliament trust which you, Mr. Speaker, chair so ably. The BAA is planning to build, in accordance with its outline permission, a 15 million PPA terminal. It is intent upon providing the infrastructure to accommodate that figure. It is reluctant to build a terminal which will carry only 7 million to 8 million PPA. That is its intention, despite the Secretary of State's advice that it will have to get the House's approval to do so. That is the unacceptable face of public monopoly. It needs to be controlled, and the

BAA should be told that its proposals need to be subject to the will of the House and of the people. It should be particularly sensitive to my constituents' needs.

The figures in the White Paper state clearly in table 5 on page 13 that in 1990 the shortfall in London airport's capacity will be no more than 3·5 million, and in 1995 it will be 5 million. Therefore, there is no earthly reason to provide additional capacity over those figures at Stansted. I sincerely hope that my right hon. Friend the Secretary of State, when negotiating with the BAA, will say that he will not tolerate any additional capacity over those figures.

I should like to refer to privatisation. I am not convinced by the proposed safeguards against cross-subsidisation that are envisaged in the seven-company plc with a holding company. It would be so easy to make losses in any one of the seven companies and absorb them into the holding company. I believe that cross-subsidisation of all kinds and inter-company pricing arrangements will take place so that Manchester will not compete in a free market.

The local government airports are to be made plcs but they should also be unsubsidised by their local authorities so that we can compete fairly in the market. To try to slow down the development at Stansted, we must have separate airport companies that compete. In that way there will be competition and service to the passenger. That is the best solution.

Stansted is the victim of the failure to develop Heathrow properly, of the failure to build a second runway at Gatwick, and of the selfish lobbying of those who live around those airports and politicians who fear them. Acres of countryside will be despoiled by the development of the third airport, and there will be an imposition on a whole new group of inhabitants. That development will be commercially disastrous.

I believe that my constituents will not rest and will not be content until the best use of existing airports is made. In that connection, I welcome the expansion of Luton and the STOLport. Terminal 5 must be built, and Heathrow must be made into a first-class airport. The expansion of Stansted should take place slowly, to a total of 4 million to 5 million passengers, and not straight away to 7 million or 8 million, and then to 15 million and possibly 25 million passengers. Urbanisation should be severely restricted and controlled by my hon. Friend the Minister for Housing and Construction. A dedicated rail link to Manchester and Heathrow must be built. We must privatise all airports individually. We must encourage tourism to the north and the development of Manchester as a hub airport.

If we do not receive those things, we shall oppose every planning application; we shall oppose every attempt artificially to increase traffic at Stansted; we shall oppose the development of that area into one urban sprawl because we could build houses on the whole of east Hertfordshire and north-west Essex even now. We do not have any unemployment. This imposition is a terrible thing for my constituents. Unless we have to play that part for a national purpose, to provide the capacity, we should not be asked to do so.

9.54 pm

Mr. Toby Jessel (Twickenham): I can well understand the feelings of my hon. Friend the Member for Hertford and Stortford (Mr. Wells), who spoke with great force; but my constituents and those of many hon. Members with constituencies near Heathrow are just as concerned about their environment as are my hon. Friend's constituents and have suffered far more than their fair share of noise and traffic congestion.

There are about 750 flights a day in and out of Heathrow. It is too much. Not only the peak loudness, but the sheer frequency of flights interferes with people's quiet enjoyment of their homes, especially in the summer when the windows are open, and gardens and with the work of churches, schools and hospitals. People's whole way of life is affected. They cannot tolerate it any more. The noise must be reduced.

The great majority of the 1·75 million people living around Heathrow dreaded the intolerable increase in noise and traffic congestion that would have resulted from a fifth terminal at Heathrow airport. They are grateful and relieved that the Government have decided to turn down the planning application for a fifth terminal. I was particularly grateful to my right hon. Friend the Secretary of State who told me:

> "I am pleased to be able to honour . . . the Government's pledge that terminal 5 would not be constructed."—[*Official Report*, 5 June 1985; Vol. 80, c. 312.]

As the inquiry inspector showed, there was never a chance that the fifth terminal could be completed before about 1996. Planning permission has now been refused. My right hon. Friend has confirmed that the decision has not been merely postponed or fudged. He has repeated that, after the opening of the fourth terminal, the major limiting factor at Heathrow—taking all the technical factors into account—will be runway capacity. Even from an aviation point of view, a fifth terminal would not be needed, as there would not be the matching runway capacity for it. In the light of that, the confidence of my constituents has been reinforced and we have every reason to believe that the Government will hold to their decision.

The planning application for a fifth terminal has been refused; and there is no reason why such an application should not be refused again if anyone has the temerity to apply in the future.

Mr. Snape: Has the hon. Gentleman read the White Paper?

Mr. Jessel: Yes.

Mr. Snape: The hon. Gentleman has obviously not understood it. Will he address himself to the point raised by the hon. Member for Saffron Walden (Mr. Haselhurst)? When the sewage works at Perry Oaks are moved, what will they put in their place? A dance hall?

Mr. Jessel: I do not believe that the sewage sludge works will ever be moved. If there is one thing that is more unpopular than an airport, it is a sewage works. Many people find the smell of a sludge works at least as unpleasant as the noise from an airport. An acceptable alternative site will never be found. The study will be a futile exercise.

If a planning application for a fifth terminal has been refused once, it can be refused again. One cannot stop another planning application from being made. Anyone can apply for planning permission for anything anywhere. That is the law. The previous application came from a rural district council 40 miles away. I have no doubt that people will apply again and that they will be turned down. The political factors — the concern and anxiety of many people around Heathrow to prevent more noise and traffic congestion—will remain.

Mr. Haselhurst: Will my hon. Friend acknowledge that he is privy to the views of the Thames water authority and that an alternative site does not necessarily have to be found for sludge works of the size of the Perry Oaks works? There are under consideration at least three options for what would happen after the sludge works were moved.

Mr. Jessel: There is no evidence that that is likely to work out. The evidence presented to the public inquiry by the Thames water authority was that it did not know of any way in which that could be done and that no alternative was likely to be cheaper or more practicable than the existing system at Perry Oaks.

Mrs. Dunwoody: There seems to have been some change in the attitude of the water authority since one of its members worked for the airports authority.

Mr. Jessel: The policy of the Thames water authority is decided not by the chairman but by the authority as a whole. It has not produced a satisfactory reason for moving the sludge works from Perry Oaks. I am prepared to bet that the issue will be resolved in a few months' time and that it will not be feasible to do it.

I am glad that the hon. Member for Crewe and Nantwich (Mrs. Dunwoody) intervened, because, as she said on 30 January

"The Labour party does not welcome the idea that there should be a fifth terminal at Heathrow."—[*Official Report*, 30 January 1985; Vol. 72, c. 299.]

I wish that that view had been confirmed by the alliance parties. In another place the alliance spokesman, Lady Burton, said:

"I believe that a fifth terminal at Heathrow should be made available as soon as possible"—[*Official Report, House of Lords*, 11 February 1985; Vol. 460, c. 22.]

That view was confirmed by Baroness Seear, the leader of the Liberal party in the House of Lords, who said in a letter to a lady living in Ealing:

"In the airports debate we have been following the line adopted by Lady Burton who is leading for the Alliance on this subject and who has studied the matter in great detail."

Mr. Stephen Ross: Will the hon. Gentleman give way? Give way.—*[Interruption.]*

Mr. Jessel: I shall not give way more readily as a result of shouting and screaming. I shall give way in a moment. I only wish that my concern for the environment was shared by the alliance.

Mr. Stephen Ross: The hon. Gentleman is deliberately misleading the House.

Mr. Speaker: Order. No one in the House deliberately misleads, so the hon. Member for Isle of Wight (Mr. Ross) must rephrase his remark.

Mr. Stephen Ross: The hon. Gentleman is misleading the House, and he knows it. The leader of my party has explained our position, and the remarks of the hon. Member for Twickenham (Mr. Jessel) are not strictly correct.

Mr. Jessel: I have received letters from the leader of the hon. Gentleman's party which said nothing to contradict the statement by Baroness Burton which I have just quoted. That statement was confirmed by Baroness Seear.

I regret the abandonment of the 275,000 ATM limit. That limit was killed by the Standing Committee on the Civil Aviation Bill by a majority of 10 to eight. Had the hon. Member for Isle of Wight (Mr. Ross) voted differently, the Chairman of the Committee would have had to use his casting vote so that the proceedings could have continued.

The current figure as shown in the White Paper is 274,000 ATM, and I am told that the runway capacity will limit flights to between 305,000 and 310,000 at the peak in 1990, and that thereafter the figure will drop due to the changes in the average spacing of aircraft and the fact that there will be fewer middle range aircraft. If I had to choose, I would rather we had no fifth terminal and that we had to abandon the ATM limit.

In the 10 days since the Secretary of State made his planning decision, my constituents have expressed increasing anxiety about night flights. They are worried that with no fifth terminal, but with no ATM limit, the pressure will be for more aircraft to be allowed to operate from Heathrow at night. I have conveyed my anxiety to my right hon. Friend the Secretary of State for Transport. My right hon. Friend the Member for Worthing (Mr. Higgins) has referred to that, as has my hon. Friend the Member for Richmond and Barnes (Mr. Hanley). I hope that the Minister will make it clear that no increase in night flights will be allowed at Heathrow.

10.4 pm

Mr. Robert McCrindle (Brentwood and Ongar): To judge from the contributions so far from both sides, in an ideal world we should all seek to travel freely wherever and whenever we chose, with an airport close at hand but with no noise or pollution and no effect on the environment, but that is clearly not possible, so some suffering by some people is inevitable. Perhaps ideally the aim of an airports policy should be the lowest common denominator of shared misery for all who have an airport in their vicinity. In other words, Government policy should move towards some use of all airports and no absolute concentration on one airport and, to be fair, the White Paper is to some extent aimed in that direction and to some extent achieve that aim.

What, then, are my reservations and objections? Unlike my hon. Friends the Members for Saffron Walden (Mr. Haselhurst) and for Hertford and Stortford (Mr. Wells), I have a constituency interest in two directions. In the populous southern part of my constituency there is a broad welcome for the prospect of developing Stansted airport because it is perceived that that will bring to the county of Essex a level of prosperity which, it is hoped, will spill over into the area around Brentwood. It is no secret that that part of the constituency is a very long way from the flight path into Stansted. People in the Ongar area are not so fortunate. They are very close to the flight path and I have to report a very profound objection on their part. In the absence of a clear-cut constituency interest, I sought a compromise and it is abundantly clear from the White Paper that the Government have done the same. My only regret is that in seeking a compromise on the Stansted issue the Government and I do not seem to have connected.

Had it been decided to develop Stansted to a capacity of between 7 million and 8 million passengers per annum, full stop, I could have supported that, but 15 million represents a sword of Damocles to those of my constituents who live near the airport. It is with some regret, therefore, that I must tell the Government that I cannot accept the proposal for 15 million passengers per annum. Before my

hon. Friend the Parliamentary Under-Secretary of State or anyone else points out that that can take place only after a parliamentary vote, I must make it clear that I am not greatly impressed by that safeguard. Anyone who looks beyond the print of the White Paper knows—indeed, it has been partially proved by the difference in attitude that the Government have been able to generate since the last time we debated the matter — that a determined Government who believe that we should move to the second stage of development at Stansted are likely to get their way in the House.

That is bad enough, but there is then the possibility of an increase to 25 million passengers per annum at some time in the future. I am aware that that would be subject to a fresh planning application but, given the ease with which the planning application to move towards 15 million was apparently accepted, albeit in two instalments, my hon. Friend the Minister will appreciate that my constituents are not reassured and regard as unacceptable the possibility of an increase not just to 8 million or 15 million but to 25 million passengers per annum.

To some extent their anxiety might be lessened if an assurance could be given—it may still be possible to give it this evening—that when or if in the mid-1990s some further expansion of airport capacity is required, there should be a further full inquiry as to whether such expansion, which is clearly proven, should be catered for via a fifth terminal or stage two at Stansted, which would increase that airport's capacity to 15 million passengers per annum. The findings of such an inquiry should be debated, and should not merely be subject to approval by affirmative resolution. I suspect that hon. Members on both sides of the House would concede that that is one of the flimsiest protections that could be extended to constituents around the Stansted area.

I am personally convinced that the growth in air traffic over the next decade is more likely to be in scheduled services. At the very least I envisage that there will be an end to the distinction between charter and scheduled services. If I am correct, the fifth terminal is much more likely to be an appropriate vehicle for expansion at that time.

If that is also the Government's assessment, it would greatly assist us if they now indicated whether they would be prepared to move beyond what they conceive to be the safeguard of an affirmative resolution and to say that they will require a fresh study whose findings will be debated on the Floor of the House.

Let me assume that my eloquence does not succeed in persuading the Minister, and that Stansted expands to between 7 million to 8 million passengers per annum in the immediate term. I wish to explore the nature of this expansion and to examine the likely effects on my constituents. I have a few questions that I wish to put to the Minister. To what extent will the Government indicate a preferred pattern of traffic mix at Stansted airport? They may say that they may wish to leave this to the market or to the CAA, but in recent history they wished to encourage the transfer of scheduled services from Heathrow to Gatwick, and they indicated that as their preference. Therefore, there is no reason why this evening we should not press them to underline the pattern of traffic they would prefer at Stansted as it develops.

Do the Government envisage a pattern of services that is predominantly charter and which provides more package tour facilities, with travellers coming predominantly from the northern home counties? That is important. Alternatively, do they foresee a major extension of scheduled services from an enlarged Stansted?

Here I declare an interest in that, as the House knows, I am an adviser to British Caledonian. Although most of my points are pure constituency matters, I make no secret of the fact that I wish to see the maximum development of Gatwick. Does the Minister foresee a necessity to transfer some of the charters from Gatwick to Stansted, or will it merely be necessary to stop any further expansion of charters at Gatwick? On both matters I remind the Government that they are on record as saying that they wish to see the expansion of further scheduled services from London's second airport.

My constituents are also concerned about the adequacy of the road and rail facilities, to which many hon. Members have already referred. One has only to travel along the M11 to anticipate that it would be extremely overloaded, leaving aside the bottlenecks that would result where it ends in the London borough of Redbridge. Has adequate consideration been given to the great difficulties in that regard?

There are problems also with the rail link that is contemplated between London and Stansted. If I am correct in discerning that the pattern of Stansted traffic is likely to be such that it comes predominantly from the northern home counties and the north and east of London, can the Government begin to justify the development of a road link? If they cannot because there is insufficient traffic coming from central London to Stansted, it is extremely difficult to see how Stansted airport can ever effectively get off the ground.

It may be that even to develop Stansted to the 7 million to 8 million PPA level would be extremely difficult to achieve. I am not saying that that would come as a great disappointment to me, but the Government must have some thoughts about the pattern and type of traffic likely to use Stansted and the adequacy of the road and rail links. Do they have any idea about where the main traffic is likely to come from? If it is from Essex, Hertfordshire and the northern home counties, there will be no justification for a rail link, which in turn would seem to show that even to think about developing Stansted up to the first level is difficult to justify.

I wish that we could have restricted the expansion of Stansted to 7 million to 8 million passengers. As we are not able or prepared to do that, I doubt whether I can find myself supporting the White Paper. If, as I suspect, we have given the green light to Stansted to move ahead to 7 million to 8 million, some questions must be asked about the anticipated pattern of flights. I want also to know a little more detail about the restrictions on night flying, which would, I hope, make it more bearable for my constituents around Stansted. Finally, I should like a word about road and air links.

Shared misery is one thing, but completely to change the pattern of life is another. It is incumbent upon those of us who represent areas around Stansted to do all in our power to minimise its effect on the way of life of those whom we represent.

10.17 pm

Mr. Ken Eastham (Manchester, Blackley): It is only a little while since we last debated this important subject. In January the debate was well attended, and many Conservative Members were extremely critical about the

[Mr. Ken Eastham]

proposals. One after another they opposed the possible changes in the south-east. It was clear that the Government were so concerned that the Whips Office had to organise a special voting procedure to give them some respectability and to ensure that there was no rebellion. That opposition showed the Government what their Back Benchers thought of these proposals.

However, since then there have been one or two changes. Numerous Conservative Members have reversed their arguments and tonight have made points different from those that they made in January. One becomes a little suspicious. How many of those Conservative Members have been nobbled and persuaded into praising the report, which has been changed little since January?

The Government are trying to put a gloss on it and to say that things have improved, but we should remind Conservative Members who represent northern regions that they have a responsibility to serve the people who elected them. Never mind about their loyalty to the Government. The people who supported them at the ballot box in the past in turn expect their support when they consider this very important basic issue. For that reason, I have been extremely disappointed by the attitude expressed by some Conservative Members in the debate.

We have now had an opportunity to study the White Paper, and I for one am interested to see that it says that the regional airports must play a greater role in the handling of traffic. Hon. Members representing constituencies in the northern regions have been saying precisely that ever since this debate first began, and I give notice to the Government that northern Members will continue to make the point, because no case has been made to justify the Government's present proposals.

It is also recognised that too many people from the north are forced to take flights down to airports in the south-east before they can make connections for continental destinations. Our objections are constant, and this massive, consistent investment in the south-east has to end somewhere, somehow. The rest of the country does not seem to matter to the Government. The areas of highest unemployment in Britain are the very areas being neglected in the White Paper's proposals.

We maintain that development in the north would be far cheaper than the proposals in the White Paper. Not only would it be cheaper, but it would save much of the heavy burden that will fall on the taxpayer if the Government's proposals are approved.

I am sure that many of the arguments advanced today repeat what has been said in earlier debates. When the Minister made his statement a few days ago, he said that the investment in Stansted would represent a cost of £270 million, but we know that that is not the sum total of the investment. As I have said before, it is little more than a toe in the door, and later no less than £1,000 million will be spent in the south-east.

It is also said that there should be an inquiry into the feasibility of a Stansted rail link. I remind the Government that Manchester airport has been begging for a rail link for the past 10 or 12 years. A small spur of line could link the airport to mainline communications, thereby greatly improving its freight potential and profitability. But even in British Rail thinking there appears to be a preference for the south, and I have no doubt that later on British Rail will justify adding a rail link to Stansted. The proposal for such a link to Manchester international airport could be implemented at a very small cost, yet this is an area where British Rail cannot see the justification for the expenditure.

Manchester international airport has a long history of sensible investment. Decisions have been taken over many years by men of vision and courage. They have not asked the Government to get them out of difficulties. Local politicians were confident that there would be a need for greater airport capacity, and their confidence has been fulfilled.

Manchester has a very good safety record. It is provided with the most up-to-date landing equipment which equals the best international standards. Manchester airport is well run and reliable and, what is more important, makes a magnificent profit. Few other United Kingdom airports can boast of similar profitability and such sensible management.

People in the north do not want to have to travel south to make international flight connections. Tourism is in difficulty and cost is therefore of great importance. Extra flight connections to the south-east, or from the south-east to the north, would add considerably to the cost of tourism. Ministers recognise that tourism would create many job opportunities in the north.

If the Government believe in competition, our demand is that no hidden subsidies should be given to the airports in the south-east. The profit and loss accounts show that financial support of all kinds is given to the unprofitable airports. If the Government believe in free and fair competition, their airports should be run as Manchester runs its airport.

The Secretary of State has promised that opportunities and new routes will be offered to the airports in the north. I hope that he will fulfil those promises. It is not unreasonable to remind civil servants of those promises, because they can influence Ministers. We want them to ensure that no obstacles are placed in the path of competition and of the new opportunities which the Government claim will be offered to the north. I have very serious reservations, but only time will tell.

We have heard that the residents of Stansted do not want this expansion to take place. Nor do the residents around Heathrow. The environmental lobby in the south-east does not favour this expansion, either. Reference has also been made to the loss of prime agricultural land, yet the north is crying out for its fair share of this development and possible prosperity. Many people in the north are already expressing bitter disappointment. The Secretary of State has made a bad decision that will be very costly for the United Kingdom.

Several Hon. Members *rose*——

Mr. Deputy Speaker (Sir Paul Dean): Order. The winding-up speeches are expected to begin at 11 pm. Seven hon. Members still wish to speak, and they have strong constituency interests. May I appeal to them to restrict themselves to about four minutes, and it will then be possible to call them all.

10.30 pm

Dr. Alan Glyn (Windsor and Maidenhead): I shall be as brief as possible.

I entirely agree with the hon. Member for Manchester, Blackley (Mr. Eastham) about the rail link. I do not deny

that I have a constituency interest. I oppose the fifth terminal at Heathrow for three principal reasons—first, access; secondly, increased noise; and thirdly the congestion that would be caused if the Perry Oaks site were moved.

I congratulate my right hon. Friend on a dextrous, political compromise. I also congratulate my right hon. Friend the Member for Spelthorne (Sir H. Atkins) on his excellent speech. He has helped us to defend the interests of our constituents who live under the flight path. If the numbers of air traffic movements are increased, I hope that they will be balanced by quieter aircraft. My right hon. Friend the Secretary of State promised to keep a close watch on night flights, and I am sure that he will honour that pledge. If the airports are privatised or municipalised, I hope that my right hon. Friend will ensure that they do not exceed the limits.

About 80 per cent. of the traffic to Heathrow is by road, despite the underground rail link. Other existing rail links could be used. Because of the winding of the Thames, it is virtually impossible to widen either the Talgarth or Cromwell roads. We know that they are absolutely saturated and there is no hope of improvement. That is one of the cardinal factors.

Noise insulation grants are minimal and the White Paper promises that that will be considered. Of course, it will not help people in their gardens in the summer, but it will give them some alleviation of the noise.

I hope that my hon. Friends will follow my lead and be brief. I do not believe that terminal 5 should be built. I hope that my right hon. Friend will confirm that it will be a very long time, if ever, before it is considered, and even longer before it is built.

10.33 pm

Mr. Frank Cook (Stockton, North): Not for the first time, I rise to question the logic of the Government—indeed, to question their sanity. Last week the Prime Minister said that the Government appoint expert advisers and then retain the right to reject their advice. I remind the House that exhaustive public inquiries have been conducted into the Stansted proposals which, on both occasions, have come out with firm conclusions against them. Yet, again the Government have cynically chosen to disregard those conclusions.

My naked plea tonight is for my patch because of the levels of unemployment in the region. In my constituency is the airport of Teesside, known during the war as Goosepool. Every borough that contributes to the maintenance and management of the airport has an unemployment level for adult males of slightly above or below 30 per cent. I suggest that the level of adult male unemployment in Stansted is less than one tenth of that. Therefore, people in the north-east are justified in asking whether the Government proposal is based on political vindictiveness simply because the north-east is a stronghold of the Labour party.

We have heard of the need at airports for runway capacity, road links, rail links, potential traffic volumes and all-weather flying capability. As I explained when we last debated this subject, Teesside airport has excellent road links—motorway standard roads right to the gates—and excellent runway capacity. It is capable of taking any aeroplane flying in the world today, and in any kind of weather, because it has excellent all-weather flying records. Sadly, it proves that only when other airports fall down on their provision in that respect and they have to use Teesside in a fall-back situation. We can get them in when the others cannot.

Teesside airport has excellent rail links, so much so that when Jumbos land at Teesside, because they cannot land anywhere else, we can manage to put on class 125 trains which get passengers from Teesside to central London little more than an hour later than they would get there from Heathrow. As for potential traffic volumes, anyone flying from Heathrow to Teesside or from Teesside to Heathrow will agree that it is like travelling in a community of the United Nations, because so many people have to be ferried to the north-east, having landed in the metropolis.

In other words, Teesside has all the factors that hon. Members are complaining other airports do not have—the road and rail links, the runway capacity and the all-weather flying capability. Teesside would, therefore, be easier to develop than any other airport in the country.

Sir Norman Payne said of the Stansted decision:

"It is one for which the BAA has striven long and hard because we believed"—

that is, the BAA—

"it is the only way of meeting our duty to provide enough airport capacity in time to meet demand."

If that is so, will the Secretary of State say so? If not, will he say so? If it is so, how can any of those 70 hon. Members who voted against the Government in January now support the White Paper proposals? How can the Government now expect support from the regions for their policy?

I rose to question the logic and sanity of the Government. My sanity questions the Government's logic and my logic sees that the Government have no sanity.

10.38 pm

Mr. Bill Walker (Tayside, North): I must at the outset declare my interest in that I am chairman of two companies which have an interest in flying and, therefore, in airports.

I welcome the White Paper and I am sure that I speak on behalf of many in the aviation industry who believe that my right hon. Friend has, for once, listened to what those who fly in and out of airports have to say.

Airlines go where they believe there are customers and they fly those routes on which they believe they will make profits. All the talk that we have heard about airlines not going to different places derives not from a lack of runways or terminal capacity but simply from the fact that the airlines have not particularly wanted to go there. One must go on to ask why.

I welcome what my right hon. Friend the Secretary of State said, and I am not the first Scot to say that in this debate. My right hon. Friend has given deep consideration to the many problems of passengers, of those who fly them and of those who operate airports.

I welcome also the fact that my right hon. Friend the Secretary of State is insisting through the White Paper that the Civil Aviation Authority is given additional powers so that it can oversee the new public limited companies and the new monopoly that could and may occur, which could have an adverse effect on the airlines and subsequently on the passengers. I am glad that my right hon. Friend recognises that there is a need, even when deregulation takes place, for the customers' interests always to be borne in mind. I remind my right hon. Friend that in a democracy it must be right that in matters so vital as airports and civil

[Mr. Bill Walker]

aviation policy there should be a recognised appeal system direct to the Secretary of State for Transport through the House. I should like to see written into any subsequent civil aviation Bill a proper appeal procedure so that we can ensure that Parliament still has some say over the plcs.

The Scottish lowland airports are controlled by the British Airports Authority. The plc arrangement will generate the right circumstances and enable Prestwick, which is the only one not in profit, to return to profitability. It was in profit until 1981, and with a relatively low-cost operation it should not be too difficult to bring Prestwick into profit.

There are eight Highlands and Islands airports and I recognise the advantages of having one company running them. The right hon. Member for Western Isles (Mr. Stewart) chose to ignore the £3·7 million that comes from the Scottish Office to subsidise their operations. There is scope for some savings and perhaps my right hon. Friend the Secretary of State will choose in due course to examine the franchising of the management of the airports. I believe that it is through the management that savings can be achieved as a result of greater efficiency. That would be in keeping with our intention of providing a proper service and facilities to the people of the Highlands and Islands. More importantly, the service and facilities must be provided at a price that the taxpayer feels is justified. Therefore, we must examine costs constantly. I do not say that they can be eliminated but it is vital to achieve the best possible value for money.

There are some parts of the White Paper with which I would argue, but they are not sufficient to cause me to feel that my right hon. Friend the Secretary of State has not done a good job.

10.43 pm

Mr. Graham Bright (Luton, South): My right hon. Friend the Secretary of State knows that over the years that we have discussed airports I have always pleaded a special case for Luton. I am delighted and grateful to him for recognising that Luton has a part to play in the London airport system. The fact that this has been spelt out has lifted an enormous black cloud that was threatening Luton airport with possible closure.

Luton borough council is prepared to tackle with enthusiasm the task of preparing Luton airport to take its quota of 5 million passengers a year. The newly refurbished terminal will be opened next month and that will be a milestone in achieving that which I know the Government want to be done.

I shall re-emphasise the damage that has been done by cross-subsidisation. If anything has stunted the growth of regional airports, it is cross-subsidisation. It has certainly damaged Luton airport.

Mrs. Elaine Kellett-Bowman (Lancaster): And Manchester airport.

Mr. Bright: Luton has a capability of 3·5 million passengers a year, but it is handling about 1·8 million. That is the consequence of the predatory pricing policy that the BAA has implemented in trying to shift lucrative trade from airports such as Luton. That is ludicrous when the BAA has argued that more capacity is needed in the London area. At the same time it has been doing its level best to close one of the London airports.

I welcome the proposal to form local authority airports into public limited companies. It will free those airports from the restraints imposed by local authorities and will enable us to reward airport directors. Airport managers will not be tied to local government pay structures, and we can welcome these airports to full commercial operation. I hope that we will recognise the need in this modern world to involve managers and workers and to allow workers to participate not only in management but in the success of airports. This will make all local authority airports more successful.

The threat to Luton has been removed. In the future, the Chilterns will reflect very much what has happened in the M4 corridor in the Thames valley. I believe that Luton airport will ensure that much prosperity comes to the area, which has more than its fair share of unemployment.

Airports Policy

10.46 pm

Mr. Patrick Ground (Feltham and Heston): I welcome the White Paper and the intention to privatise the British Airports Authority, and I hope that BAA's journey to privatisation will be short and quick.

For the air traveller and the air transport industry, the best aspect of the decisions on Stansted and Heathrow is the fact that the option of packing increasingly greater numbers of people into increasingly larger aeroplanes from Heathrow and preventing major expansion outside Heathrow has been abandoned. The choice offered in the White Paper will leave some freedom for the air transport industry to develop in the way that people want. When people have a choice, they frequently prefer to fly in smaller aeroplanes and at more convenient times.

There is no doubt that the commitments made at the time of the terminal 4 planning decision are very important to the people of west London. Those commitments have been accepted by elected representatives of all parties.

Section 5.14 of the White Paper contains a very important statement. The Government express their belief that other effective ways of limiting the disturbance of aircraft noise should be pursued. That is an acceptable attitude so long as those steps are taken. The Government are committed to reviewing the noise insulation grant schemes once the 1985 noise climate is known. My postbag is full of letters from constituents who have just missed out on obtaining noise insulation grants because of bad luck or bad advice. I hope that a more flexible system will emerge.

The Government intend commissioning research into roof insulation. I hope that particular attention will be directed towards those who receive no benefit, or next to no benefit, from the runway alteration system. I hope that the recommendations on special provisions for schools and hospitals will receive urgent consideration from the Government. The proposals allowing properties to be acquired compulsorily at the owner's wish where they are blighted by noise should be included in the powers of the airports authority.

In chapter 20 of the Inspector's report there are some extremely important recommendations about night movements of aircraft. The report says that it is unacceptable in a caring society that even one or two aircraft should be permitted to disturb sleep at night. In 1982-83, there was an average of only 12 movements per night at Heathrow, which represented less than 2 per cent. of the total traffic. Therefore, there is a strong justification for the inspector's recommendation that there should be a complete night flying ban at Heathrow, as already practised at many important airports throughout the world. I accept that, as the Government suggest, there should be full consultation with airlines and charter operators about the matter.

I urge the Government, as part of their commitment to reducing noise, to pay particular attention to the inspector's recommendations in relation to night noise. I believe that if those measures are conscientiously and determinedly taken they will be just as acceptable to the people of west London as the existing commitments in relation to aircraft movements.

10.51 pm

Mr. Michael Colvin (Romsey and Waterside): I am most grateful to my hon. and learned Friend the Member for Feltham and Heston (Mr. Ground) for cutting his remarks short. I appreciate the sincerity and the passion with which hon. Members have fought their corner this evening, but I speak as one of only two hon. Members who have taken part in the debate without having a direct constituency interest. Perhaps one can stand back and take a less partial view of the matter.

I do not think that it is a question of deciding whether we want more development at Stansted, even up to 15 million passengers, a fifth terminal at Heathrow, or more regional growth. In time we shall need all three, and probably more besides. The Government's main difficulty is first in agreeing forecasts on which to base their plans, and then in deciding how and when additional airport capacity should be provided, particularly in the south-east, where 75 per cent. of international passengers come from and go to.

In a growth industry such as civil aviation, it is extremely difficult to estimate demand in terms of aircraft movements or passenger numbers. That is why I agree that the new system for making forecasts is an improvement on the previous one.

I welcome the Secretary of State's caution concerning terminal 5. I am a terminal 5 fan, and I caution those who suggest that terminal 5 is dead and buried, because it is not. My right hon. Friend talks in his White Paper about investigating the removal of the Perry Oaks sludge works. It is a practical and important thing to do, because it is a valuable piece of real estate, whether it is used for a new terminal or anything else. The last thing for which the site should be used is a sludge works. The building of terminal 5 should go ahead. I believe that in the end it will be built.

I take issue with my hon. Friend the Member for Richmond and Barnes (Mr. Hanley), who said that terminal 5 would double the capacity of Heathrow. That is not correct. It would add 15 million passengers to the capacity of Heathrow. The present capacity of Heathrow is 30 million and it will go up to 38 million when terminal 4 is fully operative, so terminal 5 would not even add a further 50 per cent. to the capacity of Heathrow. It is important to make that correction.

Much had been said this evening about the importance of regional airports by hon. Members who want to see their further development. Some Opposition Members see regional airport development as a form of job creation scheme. It is not. There is no way in which we can force passengers to go to the regions. We do not live under a dictatorship. No doubt a dictatorship would find it easy to run airport policy, but we live in a democracy, and in a democracy we cannot force passengers to go where they do not want to go.

According to the inspector's summary, in December 1984 regional airport terminal capacity was 20 million PPA. At present the use is 12·2 million PPA. That shows that there is an enormous capacity in the regions which has yet to be taken up.

I support the plea that has been made for Manchester, because Manchester airport is nearly full and will probably require a second terminal. A great deal has been said about the infrastructure around Manchester, and I agree with the views that have been expressed on the matter. Those who say that my right hon. Friend is ignoring Manchester

[Mr. Michael Colvin]

airport have not read the White Paper, because it receives more of a mention than Gatwick. Too many Opposition Members have not read the White Paper properly. Regional airports can accept large increases in passenger numbers without major expenditure on additional facilities.

That brings me to another principle of the Government's airport policy which should prevail. The policy should be based upon the most effective use of airport facilities. Clause 3 of the abortive Bill placed an obligation upon the Secretary of State to give directions to the CAA to secure the most effective use of airport facilities. I hope that when another Bill is introduced it will contain such a clause.

My right hon. Friend has had a bad press over his airports policy. It has been described in most newspaper headlines as "a fudge". I should like to draw the attention of the House to what the *Sunday Telegraph* leading article ended by saying:

"It is a fudge. Mr. Ridley may feel frustrated, the people of Essex betrayed. But it is good that this should be so. In this case, fudge is beautiful."

If it is fudge, I like it. It would have been impossible to produce an airports policy that would please everyone. A pragmatic solution, such as that contained in the White Paper, will not please some of the people all the time, but it will please all of the people some of the time.

I welcome the proposal that the 275,000 ATM limit should not be pursued and that traffic management should be the criterion for imposing such limits. There is another self-imposed limit which, to some extent, restricts the use of Heathrow and which should be removed. I refer to the curfew.

During his inquiry Mr. Eyre took no evidence on that matter, and yet he recommended that there should be a complete ban on night movements at Heathrow, Gatwick and Stansted. In the view of the airlines, as expressed by IATA, that would sabotage the airport's ability to compete and set a dangerous precedent for other international airports worldwide. IATA also thought that the imposition of such a limit at Gatwick would be disastrous in view of the need for charter flights to make use of some of the night hours. It thought that aircraft utilisation by Gatwick carriers could be cut by one third if a curfew were imposed. The same could apply to Stansted.

The Government are probably correct to soft pedal on that issue. My hon. Friend the Member for Richmond and Barnes said that the point was not mentioned in the White Paper, but sections 5.6 and 5.7 mention it.

My right hon. Friend has given an undertaking that the phasing out of noisy aircraft and consultations and measures further to reduce disturbance from night noise are matters that he will take carefully into account when reaching a decision, but that he will not reach a decision in the near future.

I know that as far as airports are concerned, NIMBY usually prevails—the "not in my back yard" syndrome —but there is no doubt that with a growth industry such as civil aviation this country must have the airports that it needs. The Secretary of State, when he left the debate on Second Reading of the Civil Aviation Bill, said that he had never heard so much rubbish spoken in his life. It is so nice to see so much of that rubbish which was spoken included in the White Paper which we have before us today. It is for that reason that I congratulate my right hon. Friend on having second thoughts, and I say to the House that I think we ought to give the White Paper our fullest support.

11 pm

Mr. Peter Snape (West Bromwich, East): I think that the hon. Member for Romsey and Waterside (Mr. Colvin) might have truncated his remarks a little to allow his hon. Friend the Member for Cannock and Burntwood (Mr. Howarth) a chance to speak. We made it plain at what time we wanted to commence the wind-up speeches. I hope that the hon. Member for Cannock and Burntwood will forgive me for getting up at the time arranged.

This has been the third such debate in a comparatively short time. For once, reference has been made to the cleverness of the Secretary of State for Transport, and the rather artful compromise that he has put before the House, which appears at least on the surface to have quelled this massive rebellion, about which we had been warned for a considerable time. Rebellions in the Conservative party never normally amount to very much, as we all know. I realise that one or two Conservative Members are determined to demonstrate their concern at the decisions that are outlined in the White Paper, by voting against their own Government, and I congratulate them on their consistency. I cannot congratulate the rest of the would-be rebels on their consistency, because it took very little in the way of compromise to persuade them that their Government should be supported in the Division Lobby.

As I said, there is nothing particularly unusual about that. Fights and revolts in the Conservative party here at Westminster normally have all the impact of the annual camp fire get-together of the second West Bromwich girl guides. They make plenty of noise, but there is comparatively litle fury at the end of it. However, congratulations are due to Conservative Members who have seen through the Secretary of State's compromise, because all of us in the House know that the decisions — those nasty but necessary decisions — have been merely postponed. I make no guesses about the right hon. Gentleman's prospects for survival in the much-vaunted reshuffle in October. As I have said before, I hope that this particular fox continues to run and run. It is more fun chasing the right hon. Gentleman than it would be to chase the real thing. But the fact is that at some time in the future, one of his successors will have to take the decisions that he has postponed tonight. In order to defuse the rebellion in the Conservative party, many much-needed decisions have been fudged.

If there is one—perhaps the only one—expanding industry in this country, it is the one under discussion today. Its turnover amounts to billions of pounds, and it employs over 85,000 people. Any decisions that any Government take in that area should reflect the importance of that industry to Britain. *[Interruption.]* I realise that some Conservative Members have only just come in, and perhaps do not have the same interest in the debate as those of us who have sat through most of it, but I should be grateful if they allowed me at least to reply to some of the points that were made in the debate.

The saga of London's third airport is worthy of a script for that popular television programme, "Yes Minister". We are debating the future of an international airport where expansion has twice been rejected. We had the intervention of Maplin, from the hon. Member for Bury St. Edmunds (Sir E. Griffiths). The hon. Gentleman was

as consistent as ever today. Despite the majority view of the House about Maplin, the hon. Gentleman still insists that he was right.

I congratulate the hon. Gentleman on his recent elevation. Despite what I say about some of his views, no one could ever say that the hon. Gentleman regards a knighthood in the same as Lloyd George did. Within a day or two of his elevation, the hon. Gentleman is telling the Government that he does not intend to support them tonight. Let us admire a rare example of consistency on the Government Benches.

Every time proposals for Stansted have been rejected, they have been dusted down and reintroduced subsequently. There may have been no continuity among Ministers in successive Governments, but there has been continuity among civil servants and a determination to ensure that London's third airport was built at Stansted —come what may, and no matter how many decisions to reject that view were taken by the House. Seemingly inevitably, we keep returning to the same arguments and eventually the right decision—in the civil servants view —is reached.

Most of the anxiety expressed by Labour Members and by some Conservative Members has been about the north-south imbalance and the further expenditure of resources in a comparatively affluent part of England at the expense of other parts of the United Kingdom that are anything but affluent. Despite investments and, in most cases, profitability in regional airports, air travellers in Lancashire, the west and east midlands, north-east England and on Teesside have to travel via London to reach international destinations on scheduled services and to pick up charter and holiday flights.

As hon. Members on both sides have pointed out, that arrangement seems to be more for the administrative convenience of airlines and tour operators than for the convenience of holidaymakers. It is obviously nonsensical that holidaymakers from Scotland or the provinces have to pay more for the doubtful privilege of flying from their own regional airports when they operate such services.

Given the overcrowded skies and the airport capacity problems in the south-east, it should surely not be beyond the wit of even this interventionist Government to point out that that arrangement is nonsensical. If tour companies or airlines wish to use airports in this part of the country, they should be charged more for that privilege. I hope that one or two Conservative Members who have expressed such views will demonstrate their consistency in the Division Lobby.

The hon. Members for Luton, South (Mr. Bright) and for Crawley (Mr. Soames) were among the few hon. Members who greeted the White Paper with acclamation. One can understand that, from a constituency point of view, the hon. Member for Luton, South would think that Luton had done rather well out of the White Paper.

Proposals have been made for the expansion of Luton airport, yet the Government merely piously hope that some expansion will take place. I spend eight months of the year working in London and I prefer the journey by rail to Birmingham's international airport to pick up a charter flight to the journey up the M1 to Luton airport — particularly in the light of the closures on part of that motorway. I cast no aspersions on Luton airport, but I think that my hour-long journey by rail to Birmingham is quicker than a journey by motorway to Luton. I do not mean to be controversial.

Mr. Bright: We have a railway station at Luton. The journey from London is just 30 minutes, and the transfer to the airport takes only seven minutes. One does not have to tackle the M1 to come to Luton.

Mr. Snape: I am grateful to the hon. Gentleman for pointing that out. I do not know how many suitcases he takes on holiday, or how many people he takes with him, but the journey from Birmingham station to the airport is quicker than the journey between Luton railway station and Luton airport. The hon. Gentleman might be pleasantly surprised if he sampled Birmingham on his next trip abroad.

The "dissidents" on both sides of the House are worried. The Secretary of State said that approval had been given for between 7 million and 8 million passengers per annum at Stansted. That is not so. I fear that tonight we shall approve a maximum of 15 million PPA at Stansted because if we accept the Government motion we shall give the green light to create the infrastructure to enable Stansted to deal with 15 million PPA.

If it is necessary formally to approve that expansion the Secretary of State would be less than human if he did not say that it would be silly for the House to refuse approval for up to 15 million PPA if the infrastructure were already in place. It would then be necessary for the Conservative Whips to exercise their not-so-subtle armtwisting on one or two rebels, but I have no doubt the Government would get their Majority. Although we do not approve of the Government's proposals, we want the 8 million maximum to be adhered to. I hope that the Secretary of State will be persuaded to publish the BAA infrastructure proposals so that the House can judge whether we are getting value for money. That is not a controversial request since value for money is one of the Secretary of State's favourite phrases. That would provide Parliament with a check on the BAA proposals and the financial realities behind them.

We also seek a proper commitment to the regions and some real encouragement to international services from regional airports. We have heard the saga of Singapore Airlines and we know that the March application was not the first or even the second. Airlines and airports do not operate in isolation and the Secretary of State can scarcely allege that the informed newspaper commentators invented the stories about Singapore Airlines being told to relinquish various slots at Heathrow before they could fly into Manchester. That is not the much-vaunted freedom of the sky that the Government are always talking about. It is a deliberate attempt to control landings and take-offs at one airport by withholding permission for an international airline to fly to a regional airport. That is the kind of attitude that annoys Members on both sides who represent constituencies in the regions.

We also demand assurances about subsidies for Stansted. My right hon. Friend the Member for Manchester, Wythenshawe (Mr. Morris) and various Conservative Members have referred to the fact that landing charges at Stansted are among the lowest in the United Kingdom. The British Airports Authority, whether it is in the public sector or the private sector, will be tempted to gain the maximum benefit from that, bearing in mind the expansion approved by the Government. Neither the Secretary of State nor any of those who profess to support privatisation have produced a shred of evidence that it would benefit airline passengers in any way at all. We have not heard very much from the Secretary of State

[Mr. Snape]

about the need to please the customer in this context. The customer has never been consulted about this piece of ideological nonsense. If the Secretary of State has his way, this will be the only country in the world with privatised airports subject to the whims and fancies of virtually self-appointed management. The Secretary of State says that he does not agree with airport management by committee, but what the hell is a board of directors if not a committee? I do not know what experience the right hon. Gentleman has in these or any other matters but he is proposing to transfer control of our airports to the private sector without any consultation with the customers who use them.

Mr. John Mark Taylor: Will the hon. Gentleman give way?

Mr. Snape: If the hon. Gentleman will allow me, I will give way when I come to his contribution.

The White Paper also refers to road and rail links with Stansted. My hon. Friend the Member for Bootle (Mr. Roberts) said that British Rail would probably cook the books and produce some figures to support a rail link to Stansted, but I think that it will have difficulty doing so on the present traffic forecasts. Britain's premier international airport has no surface rail link and traffic to and from it is frequently subject to enormous traffic jams so that passengers miss flights all over the world.

We also need assurances about who is to pay for the infrastructure at Stansted. We are told that much-needed expansion and improvement of the internal road network will be paid for by the British Airports Authority while necessary improvement of the M11 to the Stansted perimeter will be paid for by the Department of Transport. I do not often find myself defending the British Railways Board, but I think that it could legitimately grouse that if the cost of every other part of the infrastructure is being met by someone else it should not have to finance the railway line. If the Secretary of State is so anxious and determined to develop Stansted one would expect him to make a proper financial contribution to the whole infrastructure rather than just to part of it.

This is a debate about Britain's overall aviation business. I wish to refer to a story that appeared on the front page of the *Sunday Times Business News* only yesterday. Under the headline

"Ministers in fury at Lonrho ploy"

is a rather fetching picture of the Secretary of State, with the caption

"Nicholas Ridley: particularly annoyed".

Mr. Stott: Windblown.

Mr. Snape: The right hon. Gentleman may be a little windblown, but it is none the less a fetching picture. Mr. George Jones, political correspondent of the *Sunday Times* —obviously a well-informed journalist who perhaps wrote the article on Lobby terms—said:

"Last night ministers were voicing their anger that such a senior Conservative"—

they were talking about the right hon. Member for Taunton (Mr. du Cann), the former Chairman of the 1922 Committee—

"should be involved in legal action which threatens a major plank of the government's privatisation programme. Nicholas Ridley, the transport secretary, is known to be particularly annoyed".

Annoyance from the right hon. Gentleman is not unheard of, either in this place or outside. However, a story appeared tonight on the Press Association tapes under the heading "Lonrho hits back". It says:

"Lonrho today hit back at a Government Minister's accusation that the company's multi-million pound American court action with Sir Freddie Laker for damages against British Airways was a 'try-on'. A board statement described the comment by Transport Secretary Nicholas Ridley as misinformed and emotive."

Mr. Corbett: As usual.

Mr. Snape: He is rarely emotive. The story continued that the company

"today claimed that the Government 'actively encouraged' them to team up with Sir Freddie after the Laker collapse in 1982. The statement said that Mr. Iain Sproat, then Minister responsible for aviation, held meetings with both sides".

I do not admire Mr. Sproat's political judgment. As we all know, he left a seat which was won by the Conservatives and took one that was won by the Liberals. Nevertheless, it is to say the least surprising that Ministers in the last Conservative Government were actively involved in encouraging a company such as Lonrho to act in direct competition with British Airways, for which they have financial responsibility in that the taxpayer eventually picks up the bill. Perhaps we can have some explanation of those actions—*[Interruption.]* It is impossible to talk about aviation policy without mentioning the story that involves the Secretary of State for Transport and Britain's premier airline, which the Government hope to place in the private sector at a suitable price in the not too distant future.

That brings me to a contribution to our debate which was never made.

Mr. Speaker: The hon. Gentleman should confine himself to airports policy and not refer to speeches that have not been made.

Mr. Snape: That is exactly what I am doing. An airports policy is the subject of this story, which refers to a speech made in this House—except that it was not. I shall explain that in a second.

A story in *The Standard* tonight, under the headline

"MPs call for Athens boycott",

says:

"MPs today called on Transport Secretary Mr. Nicholas Ridley to recommend to British airlines a boycott of Athens airport until its 'abysmal' security precautions are tightened up. They urged him to make the recommendation during today's Commons debate on London's third airport".

The author says:

"This sounds drastic, but we must have regard for the safety of British people".

Mr. Speaker: Order. If the hon. Gentleman concerned had mentioned the subject of Athens airport, I would have been bound to rule him out of order because we are talking about British airports.

Mr. Snape: The hon. Member for Ilford, North (Mr. Bendall) did not mention it because he was not here to do so. That illustrates the folly of speaking to newspaper reporters about matters that one does not quite understand. Perhaps we should point that out to the right hon. Gentleman. The path that the debate has taken owes a great deal to the artful nature of the proposals in the White Paper.

The Labour party was attacked for the failure of the Secretary of State to secure the passage of the Civil Aviation Bill on three occasions since Christmas. I make

no comments on the competence of the Minister charged with getting the Bill through Committee, with an overall majority of four over the combined opposition parties. However, his defeat on the two central questions of air traffic movements at Heathrow, and the auctioning of slots at Heathrow, was due to the actions of no fewer than four Conservative Members on two separate occasions. It will not do for the Secretary of State to attack the Labour Members of the Committee.

The Secretary of State palpably failed to convince his hon. Friends about what he was trying to do, and has still palpably failed to convince his hon. Friends that the compromise that he has stitched together this evening is the right one for Britain. Early in the debate, we heard from the right hon. Member for Spelthorne (Sir H. Atkins) that there was a need for regulation. I wondered whether we were hearing a former Conservative Chief Whip. He wanted the regulation of air traffic movement and of noise around Heathrow airport for the benefit of his constituents. The only thing that he wanted to deregulate was airports —some inconsistency there. Although he spoke loyally, as a former Chief Whip would be expected to, he also expressed some concern.

The hon. Member for Saffron Walden (Mr. Haselhurst) made his usual courageous speech, and left the House in no doubt as to which way he would vote this evening. The hon. Member for Stockport (Mr. Favell) was another Conservative objector, this time on charter flights from Stansted. He knows that the proposals in the White Paper will lead to a further drain of flights away from regional airports to the south of England.

The one Conservative Member who gave full support to the Secretary of State was the hon. Member for Crawley (Mr. Soames), who claimed, in his usual modest fashion, to have massively influenced the Secretary of State's decision. I would be the first to concede that he has massive influence, but I never heard an hon. Member make such an appalling cauldron of claptrap in my life. From anybody else it might have been embarrasing, but from the hon. Gentleman it amused hon. Members on both sides of the House. As he represents Crawley, and those living around Gatwick airport, he has something to crow about, but I am not sure about the depths of his influence. He can seek to influence the House about that at some other time.

The hon. Member for Hayes and Harlington (Mr. Dicks) also had some strong words for his right hon. Friend. He described the Secretary of State as being clever and devious. He was half right.

The hon. Member for Ruislip-Northwood (Mr. Wilkinson) made one of his customary speeches. He made no secret of where his sympathies lay. He demonstrated once again that he is interested in the expansion of Heathrow airport and, for that reason, is against both air traffic movement limits and any suggestion that flights to and from that airport should be restricted. He referred to the saga of Maplin 10 years ago and also, in my view correctly, demanded better surface access to Heathrow.

I mention the contribution of the hon. Member for Bury St. Edmunds. Again, modesty has never held back the hon. Gentleman's career, and I make no further comment about that. He insists that he was right 10 years ago with Maplin, and he says that he is still right today.

I found the speech of the hon. Member for Altrincham and Sale (Sir F. Montgomery) sycophantic. That is about the only description that I can apply to it. He is apparently the one hon. Member with a constituency in the Manchester area who thinks that Manchester airport has got a good deal.

The hon. Member for Richmond and Barnes (Mr. Hanley) supported Stansted. He would. He is always complaining about Heathrow, so I think that we can leave his contribution on one side fairly quickly.

The hon. Member for Solihull (Mr. Taylor) defended Birmingham airport but wanted to see it privatised. He had better start explaining that to some of his Conservative colleagues on the West Midlands county council which he used to lead with some little distinction — I do not emphasise any specific word in that phrase.

Of course, the Tories will win in the Division, but we all know—even those hon. Members who support their Government in the Lobby—that the hard decisions have been merely postponed and will not go away. For the fact that the Government get away with it tonight some credit is due, reluctantly, to the Secretary of State. But the House should make no mistake. He will be back. Let us hope that on that occasion there is some backbone in those Conservative Members who tonight will sell short British aviation.

11.32 pm

The Parliamentary Under-Secretary of State for Transport (Mr. Michael Spicer): I congratulate the hon. Member for West Bromwich, East (Mr. Snape) on one count. Usually when he has nothing to say he abandons himself to hysterical abuse about the Secretary of State. His was an extraordinary speech. As a substitute for an Opposition Front Bench speech on airports policy, he read the House an item from a Sunday newspaper and then talked about Greek airports, presumably because Greek airports are part of our airports policy in his book.

On aviation policy, the official Opposition have nothing positive to say. Their recently published "Charter for Transport" at least had the honesty to recognise this by saying precisely nothing about aviation.

Even the hon. Member for Crewe and Nantwich (Mrs. Dunwoody) can do better than the performance of the hon. Member for West Bromwich, East, though not much better. Occasionally she mutters something rude about terminal 5. She did it during the debate on 30 January. Then she remembers that regional lobbies want the terminal built, and she goes into a mumble on the subject, as she did today.

Aviation is not one of those declining, state subsidised, demarcation-split industries which the Opposition make their own. The House may think it best if on this occasion a thick veil is drawn across both the Opposition and their hypocritical amendment which, as my hon. Friend the Member for Altrincham and Sale (Sir F. Montgomery) pointed out, flies in the face of their own White Paper and of many of their public pronouncements in the House and elsewhere.

Contrary to the expectations of some and the hopes of others, this has been a deeply thoughtful debate. The anxieties expressed have been genuine and demand specific responses.

Many points have been made and several clearly defined themes have emerged. First, there have been the anxieties of those who represent the constituencies around Stansted, most notably my hon. Friend the Member for Saffron Walden (Mr. Haselhurst). These have been, above

[Mr. Michael Spicer]

all, about the effect of planning decisions on the daily lives of their constituents, especially the effect of noise and of a possible threat of urban sprawl.

Then there have been the speeches of hon. Members who represent regional, especially northern, constituencies extolling the virtues of their airports—sometimes, as we have seen tonight in conflict with each other: for example, the interests of Scotland and Manchester. Those hon. Members who are concerned about noise and nuisance at Heathrow have sought reassurance about terminal 5 and the ATM limit. Other hon. Members feel that the Government have not taken sufficient account of Heathrow's potential for further utilisation. Finally, there have been hon. Members who have spoken for no particular regional interest but either to support British aviation in general or to voice their concern, as did my hon. Friend the Member for Chipping Barnet (Mr. Chapman) about the effect on the environment of too rapid a development of the industry. Finally, the Liberal party's views do not seem to fit into any category, although the hon. Member for Isle of Wight (Mr. Ross) recently admitted that he had changed his mind about Stansted. He used to believe that it could take 15 million passengers. He now thinks that 5 million passengers would be about right. The House will have to form its conclusions about the resolve of the Liberal party on this matter, as on others.

I shall try to respond to the major themes that have been raised. The first matter about which I have fully to satisfy the House is whether we really need the development at Stansted and, as has been pointed out by my hon. Friend the Member for Luton, South (Mr. Bright) at Luton: whether, for instance, we could have avoided taking the decision to expand these airports by making better use, as some have suggested, of Heathrow and Gatwick. In one sense, only time will tell. The White Paper is cautious about forecasting beyond 1995. It is not, however, a matter of clever forecasting or even guesswork but of contemporary fact that as we sit here tonight we have already reached saturation point at certain peak hours at Heathrow and Gatwick. The White Paper makes it clear that even in 1984 Heathrow was working at full capacity for at least five hours a day for the majority of a seven-month summer season, and at Gatwick runway capacity was fully subscribed for seven hours on one or more days a week during August.

Mr. Gerald Howarth (Cannock and Burntwood): Does not my hon. Friend agree that although Heathrow may be saturated at certain peak hours it cannot possibly be the case that Heathrow is completly saturated until such time as the available slots are not taken up by airlines and they move elsewhere? Until that happens there is no need to put an ATM limit on Heathrow. Therefore, it is up to the airlines to decide when Heathrow is full.

Mr. Spicer: My hon. Friend the Member for Cannock and Burntwood (Mr. Howarth) has given a great deal of thought to the capacity at Heathrow and I shall have further comments to make about it. But whether or not distribution should be left to the scheduling committee, at peak hours there is a capacity problem. The question is not whether or not we should do something, but what we should do, and that problem is with us already.

The urgency of the question is caused by the continuing astonishing growth of traffic in the London system, which has been at an 8 per cent. compound rate during the past 24 years and is now growing even faster. An important part of our case is that this has happened despite the equally astounding traffic growth at many of the regional airports, in particular at Manchester, Glasgow, East Midlands and Bristol. Incidentally, we forecast that regional traffic would grow at even faster rate than in the London system.

Some of my hon. Friends, including my hon Friend the Member for Cannock and Burntwood, have argued that saturation of the London system is more apparent than real. They have said, for instance, that airports in America are able to accommodate a higher landing and take-off rate per hour than does either Heathrow or Gatwick.

Leaving aside the fact that the Americans seem to be prepared to accept longer delays at their airports than our travelling public, the argument ignores one rather important factor, which is the special mix of aircraft at Heathrow and Gatwick, to which reference has been made this evening. The matter is complex, and I do not intend to bore the House with it. The House might consider whether a Select Committee should probe the matter a little more deeply. Broadly, the problem is one that air turbulence left in the wake of large aircraft can seriously destabilise the smaller aircraft following behind.

As the proportion of larger aircraft rises, so the spacing between the aircraft must widen and the total number of landings diminishes. That is the reason—and this meets the concern of my hon. Friend the Member for Twickenham (Mr. Jessel)—that despite the fact that we have removed the air transport movement limit at Heathrow, we expect ATMs, having risen to 300,000, to fall back to more than 290,000 by 1990 and right back to 275,000 by the year 2000. I hope that that is some reassurance to my hon. Friends, especially my right hon. Friend the Member for Spelthorne (Sir H. Atkins) and my hon. Friend the Member for Richmond and Barnes (Mr. Hanley).

Mr. Haselhurst: How does my hon. Friend attempt to disprove to the House the careful and detailed analysis of Mr. Graham Eyre which showed the very opposite of what my hon. Friend is saying?

Mr. Spicer: I listened to that point in my hon. Friend's speech, as I always listen to his points. One answer is that Mr. Eyre did not have at his disposal all the facts that we know now—for instance, the effect of our liberalisation policy on traffic into Heathrow. He did not know that traffic from Edinburgh into the London system was this year to rise by 20 per cent., which it has. Therefore, there are new facts as a result of our liberalisation and competition policies.

We expect that landing capacity at Heathrow will fall from its present rate of 34 aircraft per hour to 32 aircraft as the proportion of heavy aircraft rises. I hope that the House will accept that after terminal 4 becomes operational, the development at Heathrow will be constrained not by lack of terminal space but by take-offs and landings—in other words, landing capacity. If a fifth terminal were to be built to give a capacity of 53 million passengers in the year 2000, with a 275,000 ATM limit, average aircraft loadings would need to increase from their present level of 112 passengers to 193. That point was made by my right hon. Friend the Member for Spelthorne. That is an average increase in passenger

loadings of 3·5 per cent. per year. It compares with an increase in the last 10 years of 2·3 per cent. That is making dramatic assumptions about the average loadings of aircraft for terminal 5 to be viable.

The main reason we have decided not to go ahead with T5 is that as we sit here tonight we do not need it——

Mr. Jessel: On the question of Heathrow and night flights, as no fewer than six Conservative Members—my right hon. Friends the Members for Spelthorne (Sir H. Atkins) and for Worthing (Mr. Higgins), my hon. Friends the Members for Richmond and Barnes (Mr. Hanley), for Windsor and Maidenhead (Dr. Glyn) and my hon. and learned Friend the Member for Feltham and Heston (Mr. Ground) and I have all expressed anxiety, can the Government reassure us, and put us in a position to tell our constituents, that they will not permit any increase in night flights through Heathrow following the refusal of planning permission for a fifth terminal but no ATM limit?

Mr. Spicer: I can give my hon. Friend the assurance that we have no intention of removing night flying restrictions at Heathrow. What is more, the position is at present satisfactory in that there is under-utilisation of the night quotas, particularly by noisy aircraft.

The next question I have to answer is whether, given the constraints on the London system, we could do more to divert traffic to the regions. That question was asked by many hon. Members on both sides of the House. What the Government have done for regional and local airports is, by now, well known to my hon. Friends, if not to Opposition Members. Since 1979, £200 million has been allocated for capital development, and hundreds of route licences have been issued to airlines wishing to fly from regional airports. As the House knows, 1,500 routes can now be operated from regional airports to foreign destinations, although only 100 of those have been taken up.

Mr. Corbett: Is the Minister saying, as I say, that London and the south-east is a region no more and no less than any other region? Or is he saying that, by some sleight of hand, London has suddenly become a national airport?

Mr. Spicer: The London system is the airport system of the capital city of the nation. That is a fact of life, as it happens to be a fact that many people want, for whatever reason, to travel by that system. I am simply saying that a vast opportunity has been given in the form of route licences to regions outside the London system, but that few, in terms of international flights, have been taken up.

Manchester, however, serves 33 foreign destinations with scheduled services, 14 of which have been started in the last year. Birmingham supports 15 foreign routes, four of which have been started in the last year. The growth rates at regional airports, as has been said, have been phenomenal in the last year or so.

Last year the number of passengers travelling through Manchester grew by 17 per cent., which was an enormous growth rate, particularly taking account of the base. The comparable figure at Bristol was 27·8 per cent.; for the east midlands it was 12·7 per cent.; and the Humberside rate grew by the extraordinary figure of 53·6 per cent. The hon. Member for Newcastle upon Tyne, North (Mr. Brown) said that Newcastle airport was growing successfully. I hope that we shall be able to do even more for Newcastle in the months ahead.

In pressing forward with their plans and policies for regional airports the Government have been greatly encouraged by the tireless efforts, on behalf of their local airports, of many of my hon. Friends, especially those representing constituencies in the north. The Government therefore paid particular attention to the words of my hon. Friend the Member for Manchester, Withington (Mr. Silvester) when he spoke in June of this year and said:

"I congratulate my right hon. Friend on continuing to be the Minister who has done most for regional airports of any since the war".—[*Official Report*, 5 June 1985; Vol. 80, c. 315.]

My hon. Friend will not mind my saying that no sooner had he sat down than he was arranging to see my right hon. Friend and myself to keep the pressure on us. It was, in that case, about the American Airlines application to fly into Manchester from Chicago. The matter was raised again today by my hon. Friend the Member for Altrincham and Sale——

Mr. Frank Cook *rose*——

Mr. Spicer: I want to deal with the American Airlines point. In any event, having listened for seven hours to the debate, I feel that I should now give some answers.

We have said that we welcome the opportunity to discuss the issue with the United States Government, and we have arranged to meet them about it at an early date. We are now in the process of discussing with United Kingdom interests affected, including Manchester airport, the basis on which the necessary traffic rights should be made available to American Airlines. I hope that we can speedily conclude with the United States Government a satisfactory basis, under the Bermuda 2 air services agreement, on which United States airlines can be allowed to develop services to Manchester. As my right hon. Friend has said, we shall need to bear in mind in all our negotiations that it is British airlines and not foreign ones which create the most jobs in Britain. that is one answer at least to the right hon. Member for Manchester, Wythenshawe (Mr. Morris) when he calls for an open skies policy for Manchester.

The positive approach of my right hon. and hon. Friends who represent constituencies in the north—for example, my hon. Friends the Members for Wyre (Sir. W. Clegg), for Manchester, Withington and for Altrincham and Sale—has coincided with that of the director of Manchester international airport, Mr. Gil Thompson, who, contrary to some of the aspersions which have been cast by Opposition Members, has been single minded, not to say ruthless in his determination further to develop the airport, and who last week publicly accepted the White Paper as giving great new hope for Manchester international airport.

As we are witnessing now, this positive attitude is in strong contrast with the persistent, ungenerous, and falsely based carping which we have had from Opposition Members tonight and on other occasions. They are so much the victims of their own propaganda and false rhetoric that they themselves constitute the main danger that Manchester airport faces by threatening to talk it out of its own success.

For our part, we shall continue to press ahead, especially with our discussions with governments in Europe, to try to build on the existing fairly liberal inter-regional air services regime. We see no reason, for

[Mr. Spicer]

instance, why the type of aircraft benefiting from the EEC inter-regionall regime should be restricted to 70-seaters as it is now.

Only last week I was in Scandinavia seeking to establish a regime for interregional travel which would allow any airline to fly between regional points using any aircraft charging any fare subject to the approval of the country of origin only. I am delighted to say that the Scandinavian countries have agreed that discussions of this and other matters should for the first time be pursued at official level. Increased aviation business with Scandinavia can only benefit our northern airports.

The fact is that in co-operation with the Manchester airport authorities and with the persistent encouragement of my right hon. and hon. Friends, from the north-west, we are developing Manchester international airport into one of the most successful hubs in western Europe. This success will be maintained unless the Labour and Liberal parties manage to talk down our efforts to the point where the new confidence is undermined and the present astonishing momentum is brought to a halt.

I turn next, and most importantly, to the very understandable list of issues which have been raised by my hon. Friends representing constituencies around Stansted. Much of what we have done to ensure that, subject to the necessary legislation, Parliament will be able to control the expansion of traffic at Stansted, has arisen directly out of the very effective representations that my hon. Friends have made to us, notably by my hon. Friends the Members for Saffron Walden, for Hertford and Stortford (Mr. Wells), for Harlow (Mr. Hayes) and for Bury St. Edmunds (Sir E. Griffiths). In the same way, my right hon. Friend and I have listened very carefully to the many constructive comments that my hon. Friends have made about several specific aspects of the White Paper as it affects Stansted airport.

On the question of the possible over-rapid development of Stansted through cross-subsidies from the profits made at Heathrow and Gatwick, and on the related question of the structure of the ownership of the privatised airports, we recognise, of course, that these matters will be the subject of detailed discussion when the House debates the Bill that we intend to bring before it as soon as possible. That Bill will certainly contain measures to ensure that the accounts of the various airport plcs are separate and totally transparent and that all loans, for instance made to the Stansted plc, are paid for at market rates of interest. It is important that watching over the new companies—this answers some of the snide comments of Opposition Members — and their operations will be the Civil Aviation Authority, which will be given new powers to ensure above all that airport charges at Stansted are related to costs and that the BAA is not able to attract business from airports in the north by predatory pricing. Once every five years, the BAA would be subject to a review by the Monopolies and Mergers Commission.

As to the arguments for and against the separate ownership of BAA airports in the London system, we recognise that these are finely balanced. The point that above all persuaded us when drafting the White Paper is that the BAA airports do not in a true sense compete with each other. If the airports were separated, airlines would undoubtedly scramble for access to Heathrow until charges there were so high as to produce astronomical profits and as completely to prohibit entry by smaller, particularly domestic, airlines. That aspect is extremely important in relation to the regions.

Mr. Bowen Wells: Will my hon. Friend assure me that the expansion of the terminal building at Stansted will be phased in relation to demand, and not in accordance with what the BAA deemed to be its given right to develop a terminal with a capacity of 15 million PPA?

Mr. Spicer: The condition for granting planning permission was clear. It said:

> "The phasing of the construction . . . shall be as may be agreed from time to time with the local planning authority: provided that in the first phase of construction of the terminal building, its net floor area . . . shall not exceed 50,000 sq metres."

This condition could hardly be clearer. It will not be possible for the BAA to go ahead immediately with the construction of a terminal that does not meet this restriction.

Three other specific anxieties have been raised by those representing Stansted airport. The first is noise. The White Paper is very clear that we shall at a minimum apply the noise restrictions which currently exist at Gatwick and Heathrow. These include night quotas, especially for noisier aircraft. The Establishment of noise preferential routes and noise limits at take-off. Noise insulation grants will be available.

The White Paper shows how these measures, together with the impending ban on noisier aircraft, have been successful in substantially reducing the area covered by the 35 noise and number index. Nevertheless, we are considering what further measures we can take — for instance, whether insulation grants should be made available to schools and hospitals and whether owners of noise-blighted properties should be able to require an airport authority to purchase them. We certainly agree with the inspector that airport authorities should be able to acquire, by agreement with the owners, those properties that are seriously affected by noise.

Secondly, I can give this assurance on urbanisation. There is no question of my right hon. Friend the Secretary of State for the environment granting indiscriminate planning permission in the way feared by some of my hon. Friends. I can assure the House that no change in our general policy towards the green belt is implied by our decisions at Stansted.

Thirdly, I can certainly confirm that the British Airports Authority will be selling the land around Stansted which was identified during the public inquiry as being surplus to the requirements of a single runway airport. The sale of this surplus land will be allowed for in the calculation of the BAA's next external finance limit.

It is as well that we should be clear that what we have been discussing tonight—though it has been hard for the Opposition to accept it — have been the problems of success. The British aviation industry, as Conservative Member after Conservative Member has stressed, is now the strongest and the most successful outside the United States. No other country outside America can boast two profitable and popular long haul carriers, three large medium distance international airlines, several more strong domestic airlines and as many as 20 commuter and short haul carriers.

Our airports, too, dominate the international network. Heathrow is the busiest international airport in the world

and Gatwick the fourth busiest. Manchester international is one of the largest airports in Europe, outranking those of many European capitals. Most of this astonishing success has been created in the lifetime of this Government.

Our aviation policy has been designed to build on this success by striving for further excellence through competition; by opening up air travel to more and more of our citizens; by creating more jobs around British airlines and British airports; but, above all, by presenting to the House tonight a policy that provides for the needs of the aviation industry, while at the same time containing the nuisance for those who live around airports — a policy which for the first time in living memory, is an airports strategy for the whole nation.

I ask the House to vote for the motion standing in the names of my right hon. Friends.

Question put, That the amendment be made:—

The House divided: Ayes 174, Noes 332.

Division No. 239] **[12.00 midnight**

AYES

Abse, Leo
Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Ashdown, Paddy
Ashley, Rt Hon Jack
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Bell, Stuart
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Brown, Gordon *(D'f'mline E)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Buchan, Norman
Caborn, Richard
Campbell, Ian
Carlile, Alexander *(Montg'y)*
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Conlan, Bernard
Cook, Frank *(Stockton North)*
Corbett, Robin
Corbyn, Jeremy
Cowans, Harry
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Cunningham, Dr John
Davies, Rt Hon Denzil *(L'lli)*
Deakins, Eric
Dewar, Donald
Dobson, Frank
Dormand, Jack
Douglas, Dick
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Golding, John
Gould, Bryan
Gourlay, Harry
Hamilton, James *(M'well N)*
Hardy, Peter
Harrison, Rt Hon Walter
Hattersley, Rt Hon Roy
Haynes, Frank
Healey, Rt Hon Denis
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Home Robertson, John
Hughes, Dr. Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Sean *(Knowsley S)*
Janner, Hon Greville
John, Brynmor
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kilroy-Silk, Robert
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
McCartney, Hugh
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
McKelvey, William
MacKenzie, Rt Hon Gregor
McNamara, Kevin
McTaggart, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Martin, Michael
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Meadowcroft, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
Orme, Rt Hon Stanley
Owen, Rt Hon Dr David
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rooker, J. W.
Ross, Stephen *(Isle of Wight)*
Rowlands, Ted
Ryman, John
Sedgemore, Brian
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Smith, Cyril *(Rochdale)*
Smith, Rt Hon J. *(M'kl'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Stewart, Rt Hon D. *(W Isles)*
Stott, Roger
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thorne, Stan *(Preston)*
Tinn, James
Wainwright, R.
Wardell, Gareth *(Gower)*
Wareing, Robert
Weetch, Ken
Welsh, Michael
White, James
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Woodall, Alec
Wrigglesworth, Ian
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Don Dixon and
Mr. Peter Pike.

NOES

Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Amery, Rt Hon Julian
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Benyon, William
Best, Keith
Biffen, Rt Hon John
Blackburn, John
Bonsor, Sir Nicholas
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Boyson, Dr Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Buchanan-Smith, Rt Hon A.
Buck, Sir Antony
Budgen, Nick
Burt, Alistair
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Cash, William
Chalker, Mrs Lynda
Channon, Rt Hon Paul
Chope, Christopher
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Coombs, Simon
Cope, John
Couchman, James
Critchley, Julian
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
du Cann, Rt Hon Sir Edward
Dunn, Robert
Durant, Tony
Dykes, Hugh
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel

Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Goodhart, Sir Philip
Goodlad, Alastair
Gorst, John
Gow, Ian
Gower, Sir Raymond
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, John Selwyn
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Havers, Rt Hon Sir Michael
Hawkins, Sir Paul *(SW N'folk)*
Hawksley, Warren
Hayhoe, Rt Hon Barney
Hayward, Robert
Heath, Rt Hon Edward
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Hickmet, Richard
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(N Norfolk)*
Hubbard-Miles, Peter
Hunt, David *(Wirral)*
Hunt, John *(Ravensbourne)*
Irving, Charles
Jackson, Robert
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Kershaw, Sir Anthony
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knight, Gregory *(Derby N)*
Knowles, Michael
Lamont, Norman
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Luce, Richard
Lyell, Nicholas
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McNair-Wilson, P. *(New F'st)*
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Mellor, David
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Miscampbell, Norman
Mitchell, David *(NW Hants)*
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moore, John
Morris, M. *(N'hampton, S)*
Morrison, Hon C. *(Devizes)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Normanton, Tom
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Parris, Matthew
Patten, Christopher *(Bath)*
Patten, J. *(Oxf W & Abdgn)*
Pattie, Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Prior, Rt Hon James
Proctor, K. Harvey
Raffan, Keith
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Malcolm
Roberts, Wyn *(Conwy)*
Robinson, Mark *(Newport W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
St. John-Stevas, Rt Hon N.
Sayeed, Jonathan
Scott, Nicholas
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spencer, Derek
Spicer, Jim *(W Dorset)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Sumberg, David
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Terlezki, Stefan
Thatcher, Rt Hon Mrs M.
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Trippier, David
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side N)*
Walker, Rt Hon P. *(W'cester)*
Waller, Gary
Walters, Dennis
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watson, John
Watts, John
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Noes:
Mr. Robert Boscawen and
Mr. Carol Mather.

Question accordingly negatived.

Main question put:—

The House divided: Ayes 326, Noes 190.

Division No. 240] **[12.14 am**

AYES

Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Amery, Rt Hon Julian
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Benyon, William
Best, Keith
Biffen, Rt Hon John
Blackburn, John
Bonsor, Sir Nicholas
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Boyson, Dr Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Buchanan-Smith, Rt Hon A.
Buck, Sir Antony
Budgen, Nick
Burt, Alistair
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Cash, William
Chalker, Mrs Lynda
Channon, Rt Hon Paul
Chope, Christopher
Churchill, W. S.
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*

Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Colvin, Michael
Coombs, Simon
Cope, John
Couchman, James
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
du Cann, Rt Hon Sir Edward
Dunn, Robert
Durant, Tony
Dykes, Hugh
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Goodhart, Sir Philip
Goodlad, Alastair
Gorst, John
Gow, Ian
Gower, Sir Raymond
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, John Selwyn
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Havers, Rt Hon Sir Michael
Hawkins, Sir Paul *(SW N'folk)*
Hawksley, Warren
Hayhoe, Rt Hon Barney
Hayward, Robert
Heath, Rt Hon Edward
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Hickmet, Richard
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(N Norfolk)*
Hubbard-Miles, Peter
Hunt, David *(Wirral)*
Hunt, John *(Ravensbourne)*
Irving, Charles
Jackson, Robert
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Kershaw, Sir Anthony
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knight, Gregory *(Derby N)*
Knowles, Michael
Lamont, Norman
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Luce, Richard
Lyell, Nicholas
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McNair-Wilson, P. *(New F'st)*
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Mellor, David
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Miscampbell, Norman
Mitchell, David *(NW Hants)*
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moore, John
Morris, M. *(N'hampton, S)*
Morrison, Hon C. *(Devizes)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Normanton, Tom
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Parris, Matthew
Patten, Christopher *(Bath)*
Patten, J. *(Oxf W & Abdgn)*
Pattie, Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Prior, Rt Hon James
Proctor, K. Harvey
Raffan, Keith
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Malcolm
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
St. John-Stevas, Rt Hon N.
Sayeed, Jonathan
Scott, Nicholas
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spencer, Derek
Spicer, Jim *(W Dorset)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Sumberg, David
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Terlezki, Stefan
Thatcher, Rt Hon Mrs M.
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Trippier, David
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side N)*
Walker, Rt Hon P. *(W'cester)*
Waller, Gary
Walters, Dennis
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watson, John
Watts, John
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Ayes:
Mr. Robert Boscawen and
Mr. Carol Mather.

NOES

Abse, Leo
Adley, Robert
Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Ashdown, Paddy
Ashley, Rt Hon Jack
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Bell, Stuart
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Biggs-Davison, Sir John
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Brown, Gordon *(D'f'rmline E)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Buchan, Norman
Caborn, Richard
Campbell, Ian
Carlile, Alexander *(Montg'y)*
Carter-Jones, Lewis
Cartwright, John
Chapman, Sydney
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Conlan, Bernard
Cook, Frank *(Stockton North)*

Corbett, Robin
Corbyn, Jeremy
Cowans, Harry
Craigen, J. M.
Cranborne, Viscount
Crowther, Stan
Cunliffe, Lawrence
Cunningham, Dr John
Davies, Rt Hon Denzil *(L'lli)*
Deakins, Eric
Dewar, Donald
Dicks, Terry
Dobson, Frank
Dormand, Jack
Douglas, Dick
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Favell, Anthony
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Golding, John
Gould, Bryan
Grant, Sir Anthony
Griffiths, Sir Eldon
Hamilton, James *(M'well N)*
Hardy, Peter
Harrison, Rt Hon Walter
Harvey, Robert
Haselhurst, Alan
Hattersley, Rt Hon Roy
Hayes, J.
Haynes, Frank
Healey, Rt Hon Denis
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Home Robertson, John
Hughes, Dr. Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Janner, Hon Greville
John, Brynmor
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kilroy-Silk, Robert
Knox, David
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
McCartney, Hugh
McCrindle, Robert
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
McKelvey, William
MacKenzie, Rt Hon Gregor
McNamara, Kevin
McTaggart, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Martin, Michael
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Meadowcroft, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
Murphy, Christopher
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
Orme, Rt Hon Stanley
Owen, Rt Hon Dr David
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Powell, Raymond *(Ogmore)*
Prescott, John
Pym, Rt Hon Francis
Radice, Giles
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Rhodes James, Robert
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rooker, J. W.
Ross, Stephen *(Isle of Wight)*
Rowlands, Ted
Ryman, John
Sedgemore, Brian
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Smith, Cyril *(Rochdale)*
Smith, Rt Hon J. *(M'kl'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Stewart, Rt Hon D. *(W Isles)*
Stott, Roger
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thorne, Stan *(Preston)*
Tinn, James
Wainwright, R.
Wardell, Gareth *(Gower)*
Wareing, Robert
Weetch, Ken
Wells, Bowen *(Hertford)*
Welsh, Michael
White, James
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Woodall, Alec
Wrigglesworth, Ian
Young, David *(Bolton SE)*

Tellers for the Noes:
Mr. Don Dixon and
Mr. Peter Pike.

Question accordingly agreed to.

Resolved,

That this House approves the Government's White Paper on Airports Policy, Cmnd. 9542.

Darlington (Primary Schools)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Sainsbury.]*

12.25 am

Mr. Michael Fallon (Darlington): I am grateful for this chance to raise an issue which is of concern to all my constituents in all parts of Darlington and which in Haughton at least has united all parties, councillors and governors, headmistresses and parents. I am referring to the provision of primary school education in Darlington.

I raise this not just as an issue of parental preference, although all the evidence before me shows that parental choice is being widely and arbitrarily denied at schools such as Whinfield and Springfield, Abbey and Heathfield, but as an issue of the town's basic needs and the most efficient way to meet them. My hon. Friend the Parliamentary Under-Secretary of State for Education and Science has taken a keen interest in the matter and I am grateful to him for that. He will know the background, as we have corresponded in the past two years on the subject of Whinfield and Abbey schools in particular.

If I give less time to Abbey school in this debate, it is not because it deserves less attention. My hon. Friend the Minister will recall that the Abbey junior and infants schools are very popular and efficient schools and constantly over-subscribed. This year there were 84 applications for only 64 places in the infants school. Yet the county council has continually sought to reduce the admission limit both for infants and for the junior school. In 1982 my right hon. Friend the Secretary of State blocked an attempt to reduce the admission limit for juniors, but the limit for infants was reduced to 70. A further reduction to 60 was proposed in 1984, but as the county council had based the reduction on an erroneous standard number it later had to raise it to 62. In any event, the county council has continually refused to provide the additional teachers and facilities which the demand for Abbey school seem to require.

The demand within the catchment area is increasing and will continue to do so. We therefore face more and more appeals from parents whose children have been rejected, and more heartache as families are split up and brother separated from sister. The authority's failure to appreciate the increase in demand and to take steps to deal with it lies at the heart of this debate. No one denies that there are surplus places in the north and the centre of Darlington, but new housing is developing fast elsewhere, around Abbey school in the west and in Haughton in the north east.

Darlington is the one area of county Durham in which the birth rate is rising rather than falling. It has been rising since 1982 and is now 1,500 per year. The county council does not deny that. A report submitted by the director of education to the building and resources sub-committee of the council on 12 June states that primary enrolments across the county are now approaching stability after some years of falling rolls and forecasts a considerable rise in the figures. That rise is much greater in the Darlington area, and the bulk of the increase is to be found in Haughton in the north-east.

My hon. Friend may not know that Houghton is centred on a village older and higher than Darlington, inside the town, but not part of it. It is physically separated from the old northern part of the town as well as the town centre. It is an area of rapid housing development. Several hundred more homes are planned there, and my hon. Friend will be interested to know that the council ward is being redrawn and expanded to allow for a further council seat. The director of education admits that more than 3,000 new homes are being constructed or planned in that area.

This growing community is served by Whinfield infants and Springfield county primary schools. As the catchment area for the two schools shrinks, both will become hopelessly overcrowded. In fact, Whinfield school is already overcrowded. Last year there were 79 applications for about 60 places. This year there were 80 applications for the same number of places, and the headmistress already knows of 71 forthcoming applications in 1986. There is the same story at Springfield—67 applications this year for 60 places. This year alone, 27 children must find places elsewhere, and more than 50 parents are being denied their preferences. My forecast is that next year even more parents will have to appeal and even more will be rejected.

What does this mean for those parents whose appeals are turned down? First, it means a long journey into the northern part of the town. I accept that it is just within the two-mile limit, but it is a journey across open land and along busy roads into a part of the town that is physically separated from the community in Houghton. Secondly, it means extra costs—perhaps up to £10 a week in bus fares and lunch money—as the children will be unable to return home at lunchtime. Thirdly, it means that families will be broken up. Even the sibling connection will be disregarded, and friends will be separated. The community around Whinfield school will be slowly pulled apart.

The solution to this problem is simple, obvious and long overdue. It is the provision of an additional classroom at Whinfield infants school at a cost of several thousand pounds. That has been called for by the governors, parents, local councillors, staff and people of all political parties in Houghton, and it has been the subject of submissions to my hon. Friend and his right hon. Friend over the last couple of years.

That classroom would never be wasted. Even if subsequent demand fell, the headmistress has pointed out that the school is so overcrowded that the extra space would be an invaluable asset in future years as an additional mathematics room, music room, remedial room and so on.

This application for one additional classroom, even a simple demountable facility, has been turned down by Durham county council. Just last week the education department refused to accept any case for basic need at this school and considered only minor adjustments to the intake limit. I am sorry to say it—I hope that my hon. Friend will agree—but I find that response predictable from an education authority which is notoriously indifferent to parental choice and from Labour councillors who are notoriously indifferent to the real feelings of people. That decision from the education authority is bitterly disappointing for the parents of Houghton, and it will cause great hardship for those who will have to take their children outside this community to have them educated further afield.

The authority will claim that there are unfilled primary school places across the town, and I have seen its submission that there are up to 840 places available to meet

[Mr. Michael Fallon]

a demand which it measures as a potential maximum of 600. I cannot accept that its figure of 840 is realistic. About 81 of those places are in Roman Catholic schools, while others are in older schools which will eventually have to be pulled down and replaced. Almost all of those places are simply in the wrong areas of town.

The responsibility in this matter rests with Durham county council, which has known of the situation over the past couple of years, but has failed to do something about it. That may come as a surprise to my hon. Friend when we recall that this county council was able to find £750,000 to assist the miners in their futile dispute last year, and £500,000 from the education budget alone to provide free school meals for miners' children and to keep schools open over the summer and Christmas holidays. That council still cannot find a few thousand pounds for an extra classroom.

Not only is parental preference being denied in this matter — 40 or 50 appeals across the town is ample evidence to justify that statement, and those appeals will be added to next year—but the authority is failing in its primary duty under section 6 of the Education Act to provide sufficient education to make efficient use of its resources.

Education cannot be efficient either if a school is overcrowded or in a dilapidated, century-old school in a rundown industrial part of the old town. Nor can the county council be said to be making efficient use of resources when it overspends its target by 1·5 per cent., some £3·2 million, and thereby incurs a penalty of £5·27 million. The county council cannot find from an overall budget of £214 million the few thousand pounds needed for an additional classroom at Whinfield. The authority has a case to answer and is failing to carry out its statutory obligation under the Education Act. I ask my hon. Friend to consider the case.

12.27 am

The Parliamentary Under-Secretary of State for Education and Science (Mr. Bob Dunn): I congratulate my hon. Friend the Member for Darlington (Mr. Fallon) on obtaining this Adjournment debate about the provision of primary schools in Darlington. I am pleased to be able to reply to him. He has spoken tonight about a matter which is of immediate concern in his constituency—the very important matter of parental preference for a school place for their children. That of course is of national, as well as local, concern since it relates to the Government's policies in relation to giving parents the maximum possible choice of school within the inevitable limitations of finance and availability. In raising these issues tonight, my hon. Friend has demonstrated the active and diligent way in which he represents his constituents' interests. Indeed, he has corresponded with my right hon. Friend in the past about some of these matters.

My hon. Friend spoke about the position at two particular schools maintained by the Durham local education authority — Abbey county infants and Whinfield county infants schools in Darlington. I shall come to that in a moment but before I do so there are a number of relevant issues of national policy that need to be set out because they form the background to a full understanding of the local position. If I may, I should like to run briefly through those first. Essentially, these relate to three matters: parental preference, falling school rolls; and public expenditure.

The central issue is that of parental preference. The principle that pupils should be educated in accordance with the wishes of their parents is one that Conservatives have espoused for a very long time, and the Government are committed to the maintenance of development of parental preference. The provisions that we made in the Education Act 1980 gave parents, for the first time, a statutory right to express their preference of school and extended the practical effect of that principle.

The Act requires local education authorities and the governors of voluntary aided and special agreement schools to publish their admissions and appeals arrangements and information about individual schools. That information provides parents with the basis upon which they are able to express preferences as to which schools they wish their children to attend. LEAs are therefore under a duty to meet those preferences except in certain narrowly defined circumstances set out in section 6(3) of the Act, broadly speaking to do with the efficient use of resources, and provision of efficient education.

For those parents whose preferences are nevertheless not met, the Act established a new right of appeal to an independent local appeal committee, whose decision is binding on the authority or the governors as the case may be. If parents feel that there has been maladministration in the way a case has been handled by an appeal committee, they of course have the right to complain to the Local Commissioner for Administration.

That brings me to the question of falling school rolls and the extent to which the problems which they have generated bear upon the exercise of parental preference. My hon. Friend quite rightly talked about an increase in births of recent years which will bring about a small upturn in primary rolls. But that will not bring us back to anything like the numbers of children we used to have in our schools, and there thus remains a very considerable surplus of school places. Whilst the breathing space which this has given to many schools may be superficially attractive — and, indeed, it has had real benefits in enabling pupil-teacher ratios to be reduced to the lowest levels ever — surplus places present LEAs both with problems of adequate provision of the curriculum in very small schools and with costs which the education service as a whole can ill afford to bear.

This is why my Department issued circular 2/81 four years ago setting out the case for taking surplus places out of use and offering guidance on strategy in achieving a reduction. Better to spend the money that we spend on education on the children who are there, and not on empty desks.

All this has an important bearing on the issue of parental preference. An LEA needs to consider its provision to assess what scope there is for securing a reduction in surplus places, whether by closure, by amalgamation, or by taking part of a school out of use. My hon. Friend will understand that a review of that kind can introduce an element of conflict with the principle of parental preference in a situation where one school in an area is popular with parents and others within a reasonable distance have significant spare capacity. In circumstances of that kind, authorities must have regard to the totality of

their provision and to the need to avoid retaining too great a margin of surplus accommodation with the educational and revenue costs that flow from it.

Then there is the inevitable issue of cost. My hon. Friend will not need to be reminded by me of the crucial importance of continuing control over public expenditure in the battle for national economic regeneration. There are of course circumstances in which new school building is essential, where school rolls are rising above the available schools capacity, but national funds for capital provision are necessarily limited and some hard choices have to be made. Given those restraints, it would be very difficult for my Department to sanction a capital project, to add to a popular school so as to enable it to increase its intake when, at the same time, other schools within a reasonable distance already had spare capacity. To do so would be a waste of scarce capital resources and would inevitably divert funds from some more urgent need.

In the light of those national considerations, let me now turn to the issue of the particular schools about which my hon. Friend has spoken tonight. Although the circumstances are different at each, both are popular schools currently receiving more applications for entry than they have places available. Earlier this year, a constituent of my hon. Friend wrote to my Department about the admission limit set for Abbey infants school by the Durham LEA. Officers of the Department consulted the authority to establish the facts so as to consider whether statutory proposals under section 15 of the 1980 Act were needed. That section requires such proposals to be made where a school's annual intake is to be reduced to four fifths or less of the standard number. The standard number is defined as the number of pupils admitted in the admission age group in the school year 1979-80. In this case, I understand that there had been some dispute about the standard number. That was resolved, the school's admission limit was raised from 60 to 62 and statutory proposals under section 15 were not then needed. In the event, the parents of 88 children expressed a preference for Abbey as their first choice for this September. This is in excess of the school's capacity and therefore not all of them could thus be successful. It would not be feasible to consider providing additional accommodation at this school when sufficient spare capacity exists at other schools not very far away. Following the initial allocation of places, 17 parents submitted appeals. A total of 64 pupils were allocated places at the school, including five who had been successful on appeal and seven who were granted a place before appeals were heard to replace children who had moved out of the area. That left five disappointed applicants whose appeals were unsuccessful. It would not be helpful of me to say only five were disappointed, because of course for each of those five parents it is very disappointing, and I fully understand that. However, I gather that there is capacity for those children at the alternative schools within a reasonable distance. To have admitted more to Abbey infants school would have put it under unreasonable pressure to the detriment of all the rest of the children. The LEA decided that it could not do that and of course that is within its judgment, and not mine or my right hon. Friend in our locally administered education system.

At Whinfield county infants school the position is rather different, but its effects on individual parents are much the same. As my hon. Friend has said, there is housing development under construction and planned in the area. Last week the LEA considered whether that housing development would justify its putting forward a case to my right hon. Friend for a capital allocation so as to allow it to build an extension to Whinfield infants school. In doing so, it had, of course, to consider the situation in the light of alternative capacity elsewhere. The nearest alternative school, Springfield county primary school, has a full intake planned for this September; but there were last April 650 surplus places at the eight other primary schools within two miles of Whinfield. I understand that the journey to these alternative schools is not particularly difficult or dangerous, and that there are school crossing patrols on the few major roads. Although—against the county trend—the birth rate in Darlington has increased in the past two years, this will not compensate for the decline of previous years. In the light of this—and of the surplus places elsewhere in the area, to which I have already referred—the authority concluded that it could not mount a case for new building on grounds of basic need.

The Durham LEA originally set the Whinfield admission limit at 60 places for this September. The parents of 82 children expressed a first preference for a place there, and 69 places were eventually made available on the basis of the admissions criteria which Durham—like all authorities — is required to publish. The independent appeal hearings have yet to be held. Some appeals at least may be upheld, but, even if all were upheld, they would not be sufficient to constitute a new form of entry.

My hon. Friend will understand that ministerial powers in all of this are limited. The law lays down clear responsibilities to be met by LEAs and procedures to be followed by them in considering applications for admissions to schools. My right hon. Friend has no power to intervene in those processes unless an authority is acting unreasonably within the strict legal definition of the word "unreasonably" or unless it is in default of a statutory duty. Those circumstances may not apply here. Nevertheless, I fully realise how important and difficult a matter this is for the parents involved, and I shall ask my officials to make further inquiries of the Durham LEA so that I can be kept fully informed of developments—in particular, about the numbers to be admitted this year to Abbey infants school.

I accept that that will not be the reply that my hon. Friend hoped for, but I hope that his constituents will recognise that the case for new building is not sufficiently strong, given the surplus capacity at so many other nearby schools.

Having said that, let me reiterate that it remains our policy, within the necessary practical and financial limitations I have already indicated, to afford to parents the maximum possible choice of school and choice of type of education, at both primary and secondary level, and that we do look to all education authorities to respect both the spirit as well as the letter of recent legislation that seeks to put that principle into effect.

Question put and agreed to.

Adjourned accordingly at nine minutes to One o'clock.

House of Commons

Tuesday 18 June 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

KING'S COLLEGE LONDON BILL *[Lords]*

Order for Third Reading read.
Queen's Consent, on behalf of the Crown, signified.
Read the Third time, and passed, with amendments.

NOTTINGHAMSHIRE COUNTY COUNCIL BILL *[Lords]*

Read the Third time, and passed, with amendments.

Oral Answers to Questions

SOCIAL SERVICES

Free Telephone Information and Advice Service

1. **Mr. Thurnham** asked the Secretary of State for Social Services if he has plans to provide the free telephone information and advice service in the Bolton area.

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. Ray Whitney): A free telephone information and advice service is available both in the Bolton area and throughout the country. A member of the public has only to dial 100 and ask the operator for Freefone DHSS.

Mr. Thurnham: Will my hon. Friend consider giving additional publicity to the Freefone service in the Bolton area, which has the largest DHSS office in the north-west region?

Mr. Whitney: We shall certainly consider anything that we can do. The regional information officers are active in giving publicity to the Freefone service, and certainly the *Bolton Evening News* and all the relevent television and radio programmes have carried information about the service.

Children's Homes

2. **Mr. Bellingham** asked the Secretary of State for Social Services whether he is satisfied that there are satisfactory procedures available to prevent unsuitable people being employed in children's homes.

16. **Mr. Cohen** asked the Secretary of State for Social Services what arrangements he has made to review the disclosure of criminal records to social services departments.

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. John Patten): While I am generally satisfied that local authorities, which are responsible for the selection of their own social services staff, and voluntary organisations, exercise proper care in recruiting persons for work in connection with children, I accept that procedures could be improved to assist them in that task. The review of disclosure of convictions policy established by my right hon. and learned Friend the Home Secretary, with which our Department is actively involved, is considering ways in which this can best be achieved.

Mr. Bellingham: Is my hon. Friend aware of my interest in the Marsh House hostel for mentally handicapped children in King's Lynn? He will be aware that Norfolk county council is in the process of appointing a new head. In the light of previous experience, it is imperative that a person of extremely high calibre is appointed. What can my hon. Friend do to help?

Mr. Patten: I am aware of my hon. Friend's deep concern about Marsh House, which is in his constituency. He has made that known through correspondence with me and my Department. We are happy to assist Norfolk county council in any way that we can to get the right person for the job. The consultancy service, which my Department offers to social services departments worried about people being put in charge of or having access to children, is widely used. During 1984 there were some 12,000 references, and the rate of references to that service this year is growing yet again.

Mr. Rowe: Is my hon. Friend aware that a considerable number of people employed professionally in residential homes are pressing hard for some sort of centralised recording system for people with criminal records? Will he give an assurance that he is consulting them on this difficult matter?

Mr. Patten: Obviously, I appreciate my hon. Friend's concern and the rightful concern of the highly professional and dedicated people who work in our children's homes throughout the country. The review that my right hon. and learned Friend the Home Secretary is at present conducting is addressing itself to exactly the issue that my hon. Friend has raised. We hope to have a report within the next couple of months.

Limited List Drugs

3. **Mr. Hirst** asked the Secretary of State for Social Services what progress has been made in appointing an independent expert group to review the list of non-National Health Service drugs on a continuing basis in the light of experience of the operation of the limited list.

The Minister for Health (Mr. Kenneth Clarke): We hope to make an announcement shortly on the setting up of a committee to keep the selected list under review, and to ensure that it continues to meet all clinical needs at the lowest possible cost to the National Health Service.

Mr. Hirst: Does my right hon. and learned Friend agree that in view of the anxious letters that many hon. Members have received about the operation of the limited list it is essential that the independent body starts its work as quickly as possible? Will he assure me that the British Medical Association will be fully co-operating in it? Will he ask the group to study the position of oral mucolytics as a matter of urgency? Finally, will he assure me that the group will contain a Scottish representative, as we have a separate list in Scotland?

Mr. Clarke: We are receiving some representations, but I think that the introduction of the selected list is going remarkably smoothly. I am glad to say that the bulk of the medical profession is co-operating in its introduction, as it promised to do. There is a genuine difference of medical opinion about Mucodyne and other similar preparations. The unanimous opinion of our experts was that it had no established clinical value in the treatment of glue ear and other conditions, but that is the first issue that our new committee will examine when it reviews the present list. We are about to consult on the exact membership. I shall bear in mind the needs of other countries.

Mr. Carter-Jones: Will the Minister assure the House that when there are no alternatives to expensive drugs such as cyclosporin, they will not be removed from the list?

Mr. Clarke: We have not removed from the list any drugs for which, according to the best expert advice that we can obtain, there is no alternative. The point of having the new committee is to take that advice and keep it up to date.

Mr. Latham: Is my right hon. and learned Friend aware that I do not want to have to write to him and wait weeks for a reply, or table parliamentary questions about this matter? What we need is an early and efficient system that will deal with the matter as quickly as possible at local level.

Mr. Clarke: My hon. Friend tends to press me in letters and in every other way on whether we need an appeals system for individual cases. The fact is that we immediately consulted the BMA when it asked for such a system. We made an extremely reasonable offer, which was described as a climb-down by some of its representatives. However, the climate of medical opinion has changed. My latest information is that it is likely to say that there is no need for such an appeal system. The matter is not in my hands.

Mr. Wallace: The Minister has just mentioned the appeals system. Will he go ahead and implement it unilaterally and allow doctors who wish to use it for the benefit of individual patients the opportunity to do so?

Mr. Clarke: I have to wait for the formal response from the committee which represents general practitioners, with which I negotiated the arrangements, but I repeat that in the substantial body of medical opinion some have never seen the need for such a system, and that a growing number do not see the need for such a system now. We have to be guided in those matters by the best expert medical and scientific advice that we can obtain. We have to be influenced by the votes cast by the representative committee, representing all GPs.

Mr. John Mark Taylor: Will my right hon. and learned Friend reassure me that when the independent review group gets to work — we hope as soon as possible — if it finds that there are reductions that can still be made in the list it will recommend them, and they will be proceeded with?

Mr. Clarke: I entirely accept my hon. Friend's point. The point of continuing the review will be to make sure that we have everything that the patients need on the list, and that we continue to provide those drugs in the most cost-effective way. I think that our estimates of savings will go up in future years as more generic alternatives to some of the branded products that are on the list at the moment come on to the market.

Mr. Pavitt: In view of the general uncertainty in the profession about the appeals procedure, will the committee examine the possibility of having an across-the-board generic substitution, with the general practitioner having the right to say that there is to be no substitute, which would preserve the best of both worlds?

Mr. Clarke: As I have not yet had a final response from the General Medical Services Committee I am not sure whether it is right to describe the present position as uncertain. No doubt I shall eventually get a certain response to the reasonable offer that we have made. I know that there are still advocates in the House of full-scale generic substitution, particularly in the Opposition, but it would have a ruinous effect on a wide range of the pharmaceutical industry and, in the end, could cost the country the introduction of valuable new drugs of genuine therapeutic value.

Mr. Andrew MacKay: Is my right hon. and learned Friend aware that the delay in implementing a review and appeal procedure is doing great damage to the limited list policy, which most of us support?

Mr. Clarke: I am concerned by my hon. Friend's views, but the moment that we were asked to consider the possibility of an appeals system we entered into urgent discussions with the BMA, and my officials and I had meetings in rapid succession with the representatives of the general practitioners. They were unable to give me an answer to the offer until they had had the conference of local medical committees. They still have not given me a final answer. I think that the people with whom I negotiated feel that a reasonable suggestion was made by the Government. It is up to the doctors to decide whether patients need it.

Mr. Boyes: Is the Minister aware that I am surprised at his use of the word "smoothly", when I have not had a letter answered about the matter for some months, except for a single letter from Baroness Trumpington, saying that letters would be answered in the future? If the right hon. and learned Gentleman came to my constituency surgery he would realise how much distress the limited list is causing, not only to my constituents, but to doctors, who are now asking me for appointments because they are against it, too.

Mr. Clarke: My noble Friend's letter is similar to one that I am sending out, too. I hope that it explains to hon. Members the difficulty, which I know everybody is feeling, about answering letters. I hope that people will understand that there are serious practical problems in answering correspondence about individual patient's symptoms, drugs, and treatment. I also note what the hon. Gentleman said about the number of cases with which he has to deal. A great deal depends on the policy adopted by individual practices. Where the doctor advises that a change of drug is called for, little seems to happen to the patients in consequence. In some practices the patients are being told that Parliament has done this or the Government have insisted upon that, and the result is that some patients start to feel uneasy the moment they are subjected to such lobbying.

Patient Statistics

4. **Mr. Knox** asked the Secretary of State for Social Services how many patients were treated in National Health Service hospitals in the most recent year for which figures are available; and how this compares with the figure for 1978-79.

Mr. Kenneth Clarke: In 1983, NHS hospitals in England treated some 6 million inpatient cases, 800,000 day cases and 8·5 million new outpatients. That is 650,000 more inpatient cases, 250,000 more day cases and 600,000 more outpatients than in 1978. Early indications are that hospital activity continued to increase in 1984.

Mr. Knox: Does my right hon. and learned Friend agree that those figures show a remarkable increase in the number of patients treated under the National Health Service since the Government took office? What steps is he taking to ensure that the public know about that great improvement in the NHS?

Mr. Clarke: I am grateful to my hon. Friend for asking a question about the number of patients treated. The critics in the Opposition tend to concentrate on the number of beds, the number of staff employed and other inadequate measures. Like my hon. Friend, I am more concerned about the number of patients being treated than about the quantity of furniture in hospitals.

Mrs. Clwyd: Will the Minister explain why the outpatients' waiting lists in Mid-Glamorgan almost doubled between 1978 and 1984?

Mr. Clarke: I do not answer for Mid-Glamorgan, which is a matter for the Welsh Office. However, we are taking steps to obtain more accurate information about waiting lists, which can be an extremely uncertain measure of demand, depending on the way in which the records in different places are kept.

The important factor is that when we know the length of waiting times and waiting lists for a particular specialty in a particular place, that information should then be used by the health authorities to identify the causes and to take steps by reallocating priorities or altering clinical practices to try to reduce the waiting lists.

Mrs. Currie: Do not my right hon. and learned Friend's figures show that the NHS is not merely safe with us but is thriving and, indeed, doing far better than it ever did under the Opposition when they were in government?

On the question of waiting lists, is my right hon. and learned Friend satisfied that, with the changes in management, health authorities are using their resources more effectively and also to combat waiting lists in specialties?

Mr. Clarke: I agree with my hon. Friend that the very welcome increase in the number of patients being treated is the result of more money being spent on the NHS and better management and use of resources. I do not believe that the Opposition could rival that, given their pledge to restore the old bureaucracy and end the search for cost-effectiveness in the support services. Their spokesman seems more anxious to assure the trade unions that all will go back to the previous arrangements than to concentrate on what is needed to improve the NHS.

Mr. Meadowcroft: Why does the Minister continue to cling to the notion that the number of patients treated is an indicator of the health of the nation? For example, the clinicians in my area are pleased that the number of people dialysed for renal defects is declining because of the number of transplants. It is by no means an indicator of the improving health of the nation.

Mr. Clarke: There are other health indicators and we must keep an eye on them. Although we treat more patients, new demands arise as doctors make more advances. The number of new renal patients has doubled during our period of office. As the hon. Gentleman rightly says, the number of kidney transplants is now higher than ever before and much higher than anywhere else in western Europe. Although that does not mean that we have satisfied all the demands, it does mean that the NHS is in a very much better state than it has ever been before.

Mr. Peter Bruinvels: Can my right hon. and learned Friend confirm, or deny, that the second surrogacy baby has been born in a NHS hospital, and will he ensure, when considering NHS patients coming forward in the next few months, that neither of the next two surrogacy arrangement children will be allowed to be born in such hospitals when money is being paid on a commercial basis and advantage is being taken of the free NHS service?

Mr. Clarke: I appreciate my hon. Friends strong feelings on the subject, but I urge him to consider the consequences of his suggestion. When an expectant mother presents herself for antenatal care and help with the delivery, it is the duty of the hospital to provide that necessary care and not to refuse it because of the background circumstances. On the other hand, I agree with him in deploring the commercial element in both the births that have taken place so far, and I hope that the measures that are at present in another place will bring that to an end.

Mr. Dobson: Before the Minister covers himself entirely in a halo of glory because of the hard work of those employed in the National Health Service, will he appreciate that if more people are visiting their GPs and more are receiving outpatient and inpatient treatment, that means that more people are sick? Will he ask what is causing that?

Mr. Clarke: I accept from the hon. Gentleman that we should pay tribute to the staff of the NHS in achieving these improvements. The figures are a tribute not only to the doctors and nurses but to all who work in the service. The second part of his supplementary question is idiotic and ridiculous if his only answer to the figures showing increased numbers being treated under the NHS is to claim that more people are becoming ill. He will have to do better than that.

Child Benefit

6. **Mr. Heathcoat-Amory** asked the Secretary of State for Social Services what is the estimated cost of child benefit in the current year.

Mr. Whitney: It is estimated that expenditure on child benefit in 1985-86—the current financial year—will be £4·4 billion.

Mr. Heathcoat-Amory: Will my hon. Friend confirm that most of that huge sum goes to families who are well above the supplementary benefit level? Is it sensible to churn money around the system so indiscriminately?

Mr. Whitney: My hon. Friend will have noted the examination of that proposition in the Green Paper and the fact that we remain dedicated to the existing structure and basis of child benefit. If child benefit were taxed, the effect on the great majority of working families would be the equivalent of a 30 per cent. reduction in child support.

Mr. Frank Field: What arguments has the Minister found to be the most effective in his attempts to defend the universality of this benefit?

Mr. Whitney: I refer the hon. Gentleman to the discussion of that point in the Green Paper. I repeat, we have concluded at this stage that we shall retain the structure and basis of child benefit.

Mr. Andrew Bowden: Will my hon. Friend explain why it is fair and reasonable to pay child benefit to those earning £10,000 or £20,000 a year when he intends to cut housing benefit for pensioners on low incomes?

Mr. Whitney: This is going over the same ground. The arguments on housing benefit are clearly set out in the Green Paper. Our dedication to child support and the family has been a consistent and reiterated principle of this Administration.

Mr. Wigley: Is the Minister aware that child benefit is usually paid to women and that, if there are changes in the structure, women could suffer unless both the value of the benefit and the means of payment are safeguarded to ensure that it goes to them?

Mr. Whitney: That point has consistently been taken into account. It takes us into the area of individual responsibility between husband and wife within the family.

Tax and National Insurance Systems (Integration)

7. **Mr. Eggar** asked the Secretary of State for Social Services what representations he has received about the integration of the tax and national insurance systems.

The Minister for Social Security (Mr. Tony Newton): The review team looking into benefits for children and young people received a considerable number of representations advocating the integration of the tax and benefit systems. The review team also heard oral evidence on the subject during its public sessions.

Mr. Eggar: Will my hon. Friend confirm that it is the Government's long-term intention to integrate the tax, benefit and national insurance systems? Will he give an undertaking that nothing will be introduced in the next two years which would make eventual integration more difficult?

Mr. Newton: It is the Government's intention to bring about closer co-ordination between the tax and benefit systems, and the review proposals contain two important steps in that direction. They are the family credit proposals and, not least, the proposal to change the social security uprating year to the same as the tax year. My hon. Friend may rest assured that we shall continue in that spirit.

Mrs. Beckett: Does the Minister recall that, when it was decided to adjust the national insurance system by giving employers a rebate for a year to compensate them for the introduction of 28 weeks' statutory sick pay, the Government made a great point of the fact that the SSP measure imposed a burden on employers for which they would be recompensed? What recompense do the Government expect to give? How much will it cost to compensate employers for having to administer the new family credit scheme?

Mr. Newton: In proposing the extension of the SSP scheme and the national insurance contribution reduction, the Government laid emphasis on their general desire to reduce employment costs, with the aim of seeking to promote employment. The hon. Lady's point about cost was incidental to that. In the light of experience with SSP, I have no reason to suppose that employers will not readily be able to operate the family credit scheme.

Mr. Galley: Does my hon. Friend accept that the main difficulty with the family credit scheme will be take-up? There is nothing intrinsic in the new scheme proposed in the Green Paper that will increase take-up. Does my hon. Friend agree that the problem of family poverty will not be resolved until we have at least partial integration of the tax and benefits systems for child benefit, family credit and taxation?

Mr. Newton: Although I would hesitate to describe it as integration, it is of considerable significance that the proposed method of paying family credit is by directly offseting the tax and national insurance contributions that the beneficiary would otherwise pay. That will be a significant step forward in simplifying receipt of the benefit and in encouraging take-up.

Social Security Reform

8. **Mr. Patrick Thompson** asked the Secretary of State for Social Services what representations he has received about his proposals in the Green Paper, "Reform of Social Security" to alleviate poverty for low-income families with children.

The Secretary of State for Social Services (Mr. Norman Fowler): The proposals have attracted widespread attention and debate in the two weeks since the Green Paper was published. The period of consultation will go on until mid-September.

Mr. Thompson: As more than half of those on low incomes are families with children, will my right hon. Friend press on with his proposals, through family credit, to eliminate the poverty trap and to increase incentives to work? This will not only be fairer, but will improve employment prospects.

Mr. Fowler: Family credit is one of the most important proposals in the Green Paper. It will tackle both the poverty trap and the unemployment trap. It will end the situation where people can be better off on benefit than in work, and I think that both sides of the House would want that.

Dr. McDonald: Is the right hon. Gentleman aware that the great mistake with the family credit system is that benefits designed to meet the needs of children will no longer be payable to the mothers? Will the right hon. Gentleman cast his mind back to the 1973 Tory proposals, when women made known their opposition to that proposal in the tax credit scheme? Is he aware that women will oppose this proposal for the family credit scheme and will ensure that benefits designed for children are payable to the mothers? Is the right hon. Gentleman aware that this proposal will fail for that reason once again?

Mr. Fowler: I certainly do not accept that the hon. Lady has a right to speak on behalf of all women. One of the difficulties about family income supplement, which family credit replaces, which both parties have faced, is low take-up. Before the hon. Lady goes off into her essays on what is wrong with family credit, it is incumbent upon her to make proposals that will help low income families.

Mr. Leigh: Will my right hon. Friend explain what rational justification there is for taxing impoverished young people into the poverty trap while subsidising the child bearing of duchesses with universal child benefits, except perhaps the desire to prevent them from falling into the rubbery arms of the Liberal party?

Mr. Fowler: I do not know about the last point. The fact is that child benefit provides the only recognition in the tax or benefit systems of the extra cost of having children. That is a good principle. We would be alone among almost all the countries of western Europe if we turned our backs on child benefit.

Mr. Allan Roberts: Does the right hon. Gentleman agree with the British Association of Social Workers, which says that now that claimants who previously received benefits as of right will have to pass a means test to receive benefits from the social fund, a management review of the decisions that will affect those claimants will be inadequate and that there should be an independent appeals machinery to review the decisions?

Mr. Fowler: The review process will be adequate to check the administration of the social fund, which will provide better help in many areas for whole groups of people, irrespective of whether they are in or out of work.

Sir William Clark: Will my right hon. Friend tell the House how much extra revenue will be raised if child benefit was still paid to mothers but taxed as income?

Mr. Fowler: I do not have the figures, but the effect of my hon. Friend's suggestion would be to reduce the take-home pay of all heads of families throughout the country. We should need to think twice before doing that.

Mr. Meacher: If the figures can be given in November, why can they not be given now? What is it that will be known in November 1985 that is not known in June? Is it not absurd that the figures are to be given only after the consultation period is supposed to have ended? Is it not obvious that a cover-up of this kind can be explained only by the fact that the Government have a great deal to hide?

Mr. Fowler: We have made it absolutely clear from the beginning that we want a debate to take place on the new structure that is set out in the Green Paper. We have also made it clear that when the White Paper is published in the autumn we shall set out a range of illustrative rates. The hon. Gentleman referred to a cover-up. I seem to remember that two months ago the hon. Gentleman put forward proposals on behalf of the Labour party. We have not heard a dicky bird about those proposals since. I challenge the Labour party to publish the hon. Gentleman's proposals.

Mr. Meadowcroft: The Secretary of State gave only a partial response to the question of the hon. Member for Bootle (Mr. Roberts). If there is to be more discretion with the social fund, will he grapple with the fact that it is crucial that decisions should be able to be challenged in a tribunal on the ground of reasonableness?

Mr. Fowler: I shall look at the suggestion that the hon. Members for Leeds, West (Mr. Meadowcroft) and for Bootle (Mr. Roberts) have made on this point. However, I hope that the hon. Member for Leeds, West will accept that we do not want to return to a situation in which inflexibility leads to a decision that is made in one part of the country being applied thoughout the rest of the country. I believe that we want to move away from that unsatisfactory position.

Mr. John Townend: Does my right hon. Friend agree that one of his first priorities should be to deal with the problem of the working poor? If his reforms are to deal with that problem, it is essential that the substantial savings on social security benefits should be used to eliminate taxation on the working poor.

Mr. Fowler: The major problem over the working poor is to define low income families with children. Family credit seeks to deal with that problem.

Invalid Care Allowance

9. **Ms. Richardson** asked the Secretary of State for Social Services what action he proposes to take to implement the EEC directive on equal treatment in respect of the invalid care allowance.

Mr. Whitney: The question whether the European Community directive on equal treatment in matters of social security applies to invalid care allowance has been referred to the European Court by the Social Security Commissioner in the case of Mrs. Drake. Any action will depend on the outcome of the commissioner's decision.

Ms. Richardson: It is not absurd that the Government continually wait to be taken to the European Court before they administer social justice? Why should married and cohabiting women, to whom this allowance should have been applied so long ago, have to wait until the Government are dragged through the courts before they receive justice?

Mr. Whitney: I remind the hon. Lady that it was the Labour Government who excluded married women from the provision of invalid care allowance and that to implement this measure would result in a ninefold increase of expenditure under this head: from £11 million to £85 million a year.

Private Chiropodists

10. **Mr. John Carlisle** asked the Secretary of State for Social Services whether it is his policy to encourage district health authorities to reduce the numbers of private chiropodists now involved in contract work for those authorities.

Mr. Kenneth Clarke: Our policy is to encourage the provision of chiropody in the most cost-effective manner. It is for each district health authority to decide to what extent it should make use of directly employed chiropodists as opposed to private chiropodists on a contractual or sessional basis.

Mr. Carlisle: Does my right hon. and learned Friend agree that the decision by certain health authorities,

including south Bedfordshire, to reduce the number of private chiropodists in service is against Conservative policy of encouraging the private sector? Is he convinced that this will save money and will he give an assurance that no authority will be allowed to make such a change without close monitoring by him or by the Department?

Mr. Clarke: I have not gone into the full details in relation to south Bedfordshire, and I have seen no evidence to justify intervening, but if money can be saved which can then be spent on the rest of the community health service as a result of reducing the proportion of chiropodists employed on a contractual basis it may be entirely consistent with our policy. It can be very expensive to pay items of service fees to chiropodists on a contractual basis, and in some circumstances a better service can be provided by employing more in-house staff.

Mr. Pavitt: Will the right hon. and learned Gentleman advise district health authorities that when private contractors are employed there should be a differential scale as between those who are state qualified and registered and those who are not, just as a state registered nurse has a different rate of pay from that of a state enrolled nurse?

Mr. Clarke: The National Health Service uses only state registered chiropodists, whether in-house or on a contractual or sessional basis. I should like to see more use of foot care assistants for the less serious work, as that would help to provide a more cost-effective service and to extend the range of service provided for patients.

Mr. Galley: Will my right hon. and learned Friend confirm that neither he nor the health authorities have policies which discriminate against the employment of privately trained chiropodists and that he will not introduce discriminatory policies such as a tightly drawn registration system?

Mr. Clarke: I fear that the Health Service is already restricted to state registered chiropodists as a result of regulations passed in the late 1970s. I am aware of the dispute between different branches of the profession and about the type of training given to state registered chiropodists and others, but at present I see no case for intervening in Health Service arrangements, which have been running for some years.

Mr. Dobson: Is the right hon. and learned Gentleman aware that about 2,000 of the existing 5,000 chiropodists are likely to retire in the next few years and that if we do not put more money and effort into a massive increase in the training of chiropodists we shall not have even the limited number that we now have?

Mr. Clarke: Steps are in hand that may lead to the opening of two new skill schools, and the number of chiropodists in training continues to rise. We are also encouraging National Health Service chiropody by accepting the review body's recommendation on the pay of chiropodists in service so that some of the more senior will receive up to 16 per cent. increases in pay by the end of this financial year.

Family Credit Plan

12. **Mr. Kennedy** asked the Secretary of State for Social Services if he will consider adapting the proposed family credit plan in the social security Green Paper to enable mothers to claim directly the benefits for children which are currently proposed to be made payable through the pay packet of the wage earner.

Mr. Newton: Paying the proposed family credit through the pay packet is an important element in making the credit more effective than family income supplement has proved and in developing sensible co-ordination between the tax and social security systems. It could, of course, be paid to the mother where she is a wage earner.

Mr. Kennedy: I fully accept the point about the low take-up of family income supplement, but does the Minister agree that paying family credit through the wage packet may not overcome that problem, because a great deal will depend on the co-operation of employers? Does he also agree that in nine cases out of 10 it makes eminent sense for the mother, as the caring parent, to have direct access to funding for her children?

Mr. Newton: We have planned the new benefit with the hope and intention that take-up of family credit will be better than that of family income supplement, and we believe that the proposed mechanism will assist in achieving that objective. As for who should receive it, I remind the hon. Gentleman that the payment of child benefit will continue to go to the mother. Moreover, as has already been said, I believe that it is more realistic to regard the upbringing of children as a joint responsibility for both parents, and I think that that is how most families think of it.

Mr. Alfred Morris: Can the Minister give us a firm assurance that the Government's proposals in the Green Paper will not be allowed to result in any reduction in real terms of the totality of expenditure on cash benefits for disabled children and their families?

Mr. Newton: The right hon. Gentleman will know that, given that we do not intend to attempt to settle detailed benefit rates until we have made decisions about the structure, I cannot give him a direct answer to that question. He will, however, have heard my speech in the debate last week when I made it clear that I would expect disabled people generally to be among those whose position would be improved by our proposals.

Nebulisers

13. **Mr. Skinner** asked the Secretary of State for Social Services whether he will now make provisions for nebulisers to be allocated on prescription within the National Health Service.

Mr. Kenneth Clarke: If a hospital consultant considers that it is clinically essential for a patient to practise nebulisation at home, the health authority may supply the equipment. We consider that this is the most efficient and cost-effective way of providing nebulisers and their driving mechanism on the NHS.

Mr. Skinner: Is it not a sorry state of affairs that there are people who are coughing their lungs up, people who have had asthma all their lives, and cannot get a nebuliser? A 22-year old girl in my constituency of Pinxston pleaded for a nebuliser to be provided under the scheme to which the Minister has just referred, but was refused. The people of Pinxston got together and collected the money to try to save her life, only to see that young girl die within a few months. That is the real story about nebulisers, not all that

guff that the Minister has just trotted out. The truth is that he ought to be giving directions to all health authorities to provide nebulisers to save the lives of young men and women and miners who are riddled with emphysema and coughing their lungs up.

Mr. Kenneth Clarke: The hon. Member well knows the other story about nebulisers, which is that of Mr. Gibson, his constituent. We are making sure that if a consultant says that he needs a nebuliser, he will get it on the Health Service. The hon. Member therefore immediately turns to another story, that of a girl in Pinxston. That is why the hon. Member asked his question, because he has not put it to me before. We are sorting out all the cases in north Derbyshire and Nottinghamshire that have been put to us and, if a consultant agrees that a patient needs a home nebuliser, of course we shall ensure that the health authority provides it. We can sort out the problems if the hon. Member will put the cases to us in a proper way and not seek to exploit them for his own purpose.

Income Support System (Pensioners)

14. **Mr. Andrew Bowden** asked the Secretary of State for Social Services how the income support system outlined in his Green Paper will affect pensioners who are entitled to claim supplementary pension at the present time but do not do so.

Mr. Newton: Precise estimates cannot be made, but I would expect the simpler income support structure to make it easier for prospective claimants to judge their entitlement.

Mr. Bowden: Is my hon. Friend saying that when this new scheme comes into operation, if it does, there is a very good chance that the 1 million pensioners who today could be claiming a supplementary pension but are not doing so will get their full rights?

Mr. Newton: The evidence suggests that take-up of supplementary pension among potential supplementary pensioners has improved, on the latest, somewhat out-of-date, figures that we have, following the changes that we made in 1980. In my view, this move to an even more clearly regulated system of entitlement should assist further to that end.

Mr. Meacher: Will the hon. Gentleman confirm that of the 7 million people who will have their housing benefit cut, 4 million are pensioners? Will he also confirm that, of the 1·8 million households that will lose housing benefit altogether under the Green Paper proposals, the great majority are pensioner owner-occupiers, especially widows, with a small occupational pension and a total income of only £60 or £70 a week?

Mr. Newton: Since, as the hon. Gentleman knows, the effects of the housing benefit proposals depend on the income support rates, and as the income support rates have not yet been set, he should refrain from making these wild generalisations.

Mr. Kenneth Carlisle: Is my hon. Friend aware that one aspect of the Green Paper which pensioners particularly welcome is the provision that pensions will now be uprated in April, rather than having to wait until November, as has happened until now?

Mr. Newton: Yes, indeed. That is a gain, not only for pensioners, who, of course, will have two upratings in a period of 16 months, but in the clarity of the system for all beneficiaries.

Social Security Reform

17. **Dr. McDonald** asked the Secretary of State for Social Services what representations he has received about the Green Paper "Reform of Social Security".

Mr. Newton: I refer the hon. Member to the reply my right hon. Friend gave earlier this afternoon to my hon. Friend the Member for Norwich, North (Mr. Thompson).

Dr. McDonald: Will the Minister give an absolute assurance that the removal of free school meals as part of the family income supplement package, to be replaced by the family credit scheme, will not cause suffering to any poor families?

Mr. Newton: I can give the hon. Lady the assurance that, in setting the family credit rates, we shall take into account current expenditure on free school meals, and that the 30 per cent. of beneficiaries who currently do not claim free school meals will be assisted as a result.

Nursing Supplement

18. **Mr. Hicks** asked the Secretary of State for Social Services whether the Social Security Advisory Committee has recommended that the nursing supplement payable in respect of residents in private nursing homes who are in receipt of supplementary benefit should be increased; and if he will make a statement.

Mr. Whitney: In its report — Cmnd. 9466 — the Social Security Advisory Committee recommended — and the Government accepted — that research should be undertaken urgently to ensure that the nursing home supplement has been set at the appropriate level.

Mr. Hicks: Does my hon. Friend agree that the nursing home supplement differential is inadequate compared to the basic residential scale of payment because of the 24-hour cover that is necessary in nursing homes, with the resulting costly staffing implications?

Mr. Whitney: We took a careful look at this before setting the rate, and we shall continue to monitor it carefully. At the moment we are satisfied that the level is adequate, but we shall continue to keep it under careful review.

PRIME MINISTER

Engagements

Q1. **Mr. Bill Walker** asked the Prime Minister if she will list her official engagements for Tuesday 18 June.

The Prime Minister (Mrs. Margaret Thatcher): This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today.

Mr. Walker: During my right hon. Friend's busy day will she give consideration to the situation of the Scotch whisky industry, which contributes substantially in jobs, overseas earning and revenue for the tax man? In

particular, will she give consideration to the concern being felt in Scotland at the proposed takeover of Arthur Bell? Is my right hon. Friend aware that whisky does not benefit from being diluted too much, and Scotch whisky has already been too greatly diluted by overseas control?

The Prime Minister: As my hon. Friend is aware, my right hon. Friend the Chancellor of the Exchequer is concerned about the Scotch whisky industry, because he has a great admiration for it and has tried to give some help to it. As to the dilution by the Guinness bid, that will be considered under the Monopolies and Mergers Act by my right hon. Friend the Secretary of State for Trade and Industry. He will be making the decision about whether to refer the case after he has received advice from the Director General of Fair Trading.

Mr. Steel: Before today's debate on the Green Paper, may I ask whether the Prime Minister recalls that in 1973 the Conservative Government discussed the potential for combining the tax and social security systems in one tax credit scheme? Why is it that, 12 years later, with all our computer technology, we are still miles away from that desirable goal?

The Prime Minister: As the right hon. Gentleman is aware, computers were ordered from ICL, and will slowly be coming in. It would not have been possible to carry out that reform before, but before we go into fundamental change, we should look at the consequences of combining the two systems completely.

Mr. Stokes: At a time of increasing terrorism, does my right hon. Friend think it wise that the EC should attempt to abolish controls at all frontiers?

The Prime Minister: This is about the movement of goods. Last time we had a European Council I raised the subject of the need to keep strict controls on frontiers for the movement of criminals, terrorists and particularly drugs. All other Heads of Government agreed with that very much.

Q2. **Mr. Lofthouse** asked the Prime Minister if she will list her official engagements for Tuesday 18 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Lofthouse: Will the Prime Minister consider extending the regional aid programme to mining communities where job opportunities have been wiped out by her policies? If not, what advice would she give to her children if they were unfortunate enough to be in these mining communities with no hope of a job?

The Prime Minister: The hon. Gentleman will be aware that NCB (Enterprise) Ltd. has been set up and some £10 million has already been set aside for it. A considerable number of applications have been made under the scheme and the largest ever contract of its kind, for adult retraining, has now been signed between the National Coal Board and the Manpower Services Commission.

Mr. Sumberg: Will my right hon. Friend take this opportunity to send a message of sympathy and understanding to the American people at this tragic time, and will she tell President Reagan that, if it is his policy not to negotiate with terrorists, it is a policy that has our support?

The Prime Minister: I will, of course, pass on the precise message, which I am sure will be very welcome. We all have great sympathy with the plight of those who are on the hijacked aircraft and the difficulties that face the American Government. I will pass on my hon. Friend's message to President Reagan.

Q3. **Mr. Tony Lloyd** asked the Prime Minister if she will list her official engagements for Tuesday 18 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Lloyd: Is the right hon. Lady aware of the damage that will be done to the Health Service by the decision not to fund the nurses' pay claim? *[Interruption.]* Is she aware, in particular, that the general manager in the county of Powys is talking about a 12-month curtailment of capital spending, putting back nurse training programmes and a £300,000 cut in facilities for mental health? Can she tell the House what damage her policies will do to the ill and the elderly in Powys?

The Prime Minister: I thought that the hon. Gentleman started off with the nurses' pay claim— *[Interruption.]* It is not always easy to hear against the background of noise precisely what is being said. May I point out that by February the recommendations of the review body on new scales for nurses will be in full operation. If nurses' pay were at the same real level that we inherited, a nursing sister on the maximum of the scale would be over £2,000 worse off than under the new agreement with this Government.

Mr. Donald Stewart: In view of the continued damage being done by certain aspects of the EC, for instance, by the appalling trade deficit against us and by the promise to reform the common agricultural policy, which never comes to anything, what action does the right hon. Lady intend to take against the latest lunatic suggestion that we might get a rebate provided we give the EC the funds to do so?

The Prime Minister: The 1,000 million ecu rebate will come. As the right hon. Gentleman knows, it has been approved and has been through the European Parliament. With regard to new expenditure under the new agreement, this country will be liable for only 7 per cent. because of the Fontainebleau agreement.

Q4. **Mr. Michael Forsyth** asked the Prime Minister if she will list her official engagements for Tuesday 18 June.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Forsyth: Is my right hon. Friend aware that, although deficit funding has failed to create jobs in the United States, the tax-cutting programme there has enabled the American economy to create more jobs in May of last year than all the EC countries together have managed in more than a decade? Will she therefore give her urgent attention to implementing a job creation programme in Britain based on similar tax reductions?

The Prime Minister: As my hon. Friend is aware, what we can do on tax cuts depends partly on what we do about public expenditure and the level of borrowing. However, my hon. Friend will be aware that during our time in government successive Chancellors of the

Exchequer have made cuts in income tax worth £6 billion. That is £6 billion less taken in tax than would have been the case had the same structure been in place that was left by the last Labour Government. That is an average of £260 per family for a person on average male earnings. I take my hon. Friend's point that the further reduction of income tax is a considerable priority.

Mr. Kinnock: Talking of gainers and losers, does the Prime Minister recall that two weeks ago I asked her whether she would give us figures for the gainers and losers from the Government's social security review, and she told me:

"In accordance with custom . . . we must wait for the May retail price index figures."—[*Official Report*, 4 June 1985; Vol. 80, c. 150.]

Those figures were published last Friday. We are to have the statement on the uprating this afternoon. Why have we to wait another four or five months to get those figures? Why will she not keep the promise that she made to me a fortnight ago?

The Prime Minister: The right hon. Gentleman has got two things muddled up. We had to wait for the May retail prices index figure for this year's uprating, and we shall have to wait for next year's May retail prices index figures for next year's uprating. We must await the decisions on the structure of the changes before we can give a range of illustrative figures. The right hon. Gentleman seemed to approve that approach, because when he was asked last Thursday on the radio to give figures for taxes and contributions for Labour's policies he replied:

"I'm not going to put a figure on two or three years' hence".

—*[Interruption.]*

Mr. Speaker: Order. This noise takes up time.

Mr. Kinnock: The Prime Minister's hearing is as selective as her memory. If she looks a little further, she will see that I said that the Government have the figures, the DHSS has the figures, the Cabinet has the figures, and apparently the printers have the figures. Why can we not have the figures? Will she now answer my question about her policy and not refer to the policy of the next Government, which I shall lead?

The Prime Minister: Heaven help Britain if that were ever to happen. The right hon. Gentleman should know by now, in view of his answer, that we can publish a range of illustrative figures only when we know the structure that will come out of the White Paper. Of course, had we been rash enough to give any illustrative figures, they would have been out of date as a result of the upratings that will be announced this afternoon.

Mr. Kinnock: Why is it, since the Prime Minister is now so keen to give illustrative figures, that when I asked her on 4 June whether we could have "dependable estimates", she flatly refused to give them? What has caused her conversion in the meantime?

The Prime Minister: The right hon. Gentleman still does not understand. We must decide the structure and then, bearing in mind the latest uprating figure, a range of figures can be given. That is a great deal better than what the right hon. Gentleman said, which was:

"I'm not going to put a figure on two or three years' hence".

Mr. Stanbrook asked the Prime Minister if she will list her official engagements for Tuesday 18 June 1985.

The Prime Minister: I refer my hon. Friend to the reply which I gave some moments ago.

Mr. Stanbrook: Is my right hon. Friend aware that many people ascribe the causes of rising crime and violence in our society to a long-term moral and religious decline? Does she accept that the chief factor in that is a lack of discipline and of respect for law and order? The Government cannot stand aside from that trend, as my right hon. Friend appeared to imply when she replied recently to the Leader of the Opposition about the causes of violence. Will my right hon. Friend lead a campaign to restore high moral standards?

The Prime Minister: My hon. Friend is totally correct. One cannot have a democracy without a system of self-discipline and without upholding law and order. I hope he accepts that, on every occasion, the Government have upheld law and order and have insisted that we do not obey only some laws, but all of them. I cannot personally lead a moral crusade. In our legislation, we insist on religious education in schools as an example that such things matter a great deal to all Governments.

Q7. **Mrs. McCurley** asked the Prime Minister if she will list her official engagements for Tuesday 18 June.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mrs. McCurley: Is the Prime Minister aware of the document which the general management council of the Labour party issued to English local government councillors inciting them to break the law and to refuse to follow the Rates Act 1984 so as to thwart the Government? Does this not show a two-faced approach to local democracy—*[Interruption.]*

Mr. Speaker: Order. It is no good hon. Members saying, "Out of order." I cannot hear.

Mrs. McCurley: Does this not show flagrant contempt for the law?

The Prime Minister: My hon. Friend is correct. The law is indivisible and has to be obeyed. All of the law has to be obeyed. That is what democracy is. There is a chance to change the law, but until it is changed existing law must be upheld, and I totally and utterly condemn anyone opposite—*[Interruption.]* I totally and utterly condemn anyone who has urged that any law be disobeyed.

Social Security Benefits (Uprating)

3.30 pm

The Secretary of State for Social Services (Mr. Norman Fowler): With permission, Mr. Speaker, I should like to make a statement about the annual uprating of social security benefits which takes place in the week beginning 25 November.

The improvements that we are making, which have been allowed for within the Government's public expenditure plans, will increase the Government's social security budget by over £2,000 million in a full year.

As the House will know, the retail price index published last Friday showed a rise of 7 per cent. between May 1984 and May 1985. The Government are pledged to increase pensions and other linked long-term benefits in line with this rise in prices. Accordingly, the retirement pension for a single person will rise from £35.80 to £38.30, an increase of £2.50 a week, while the pension for a married couple will rise fom £57.30 to £61.30, an increase of £4 a week.

This will mean that between November 1978 and November 1985 pensions will have gone up by over 96 per cent. some 10 percentage points more than the expected rise in prices over the same period. Thus, we have more than fulfilled our pledge to protect the retirement pension against rising prices.

Public service pensions will similarly be increased by 7 per cent. We shall also further ease the earnings rule —that is the amount which a pensioner can earn without a reduction of his pension. This will be increased from £70 to £75 a week.

The basic rate of unemployment benefit will be increased by 7 per cent. from £28.45 to £30.45 for a single person and from £46 to £49.25 for a couple.

Supplementary benefit is increased in line with the retail price index excluding housing costs. This is because people on supplementary benefit have their housing costs met separately through housing benefit. All the main supplementary benefit rates will therefore be increased by 5·1 per cent. The long-term scale for a couple will go up by £2.90 to £60 a week. The ordinary scale for a couple will go up by £2.30 to £47.85 a week. The scale rates for children will go up to £18.20 for a child aged between 16 and 17 years, £15.10 for a child aged between 11 and 15 years, and £10.10 for a child under 11.

The extra weekly payments to cover items such as heating and special diets will be increased in the usual way. Heating additions will be increased by 4·4 per cent. in line with the rise in fuel prices, while the additions for special diets will go up by 3 per cent. in line with the rise in food prices.

I also intend to make a change to the additions which are given to supplementary benefit households with central heating systems. Those special additional payments were introduced in the early 1960s because at that time central heating was more expensive. That is no longer generally true. In the meantime, there has been an extensive development of additional help with heating costs for those such as pensioners and the disabled. Claimants already receiving central heating additions will continue to receive them while they remain on benefit. However, I propose that no further awards of such additions should be made to people claiming on or after 5 August, but the range of automatic heating additions for the special needs of particular groups will be extended so that from November the lower standard rate of heating addition, which will then be £2·20 a week, will be paid automatically to sick and disabled householders on the long-term rate of supplementary benefit.

Turning to housing benefit, the needs allowances, which are increased according to a formula which takes account of increases in average local authority rents and rates as well as the supplementary benefit rates, will be increased by the full 5·8 per cent. to £47·70 for a single person and £70·20 for a married couple.

The uprating of the housing benefit needs allowances will further increase spending on a benefit which is already paid to well over 7 million households. Expenditure will increase to £4½ billion in a full year. The Government believe that it is right to restrain further growth in housing benefit expenditure. We therefore propose to increase the rates taper above the needs allowance from its current level of 9 per cent. to 13 per cent.

No one on supplementary benefit or with income within £10 of the scale rates will be affected by the change. Indeed, a pensioner couple would need to have an income nearly £13 a week above the retirement pension level before their overall benefit increase was reduced by even 10p a week as a result of this change.

The Government believe it right to maintain child benefit for all children, irrespective of the income of their parents. Nevertheless, we have to consider its level both in relation to overall priorities within social security and, in particular, with the aim to do more for families with children on low income.

The Government have concluded that child benefit should be increased in November to £7 a week. However, one-parent benefit will be increased by the full 7 per cent. from £4·25 to £4·55 per week; and families on supplementary benefit will not be affected and will benefit from the increases in the scale rates for children. At the same time, we propose to take two important steps to give additional help to less-well-off families with children.

First, the prescribed amounts in family income supplement will be increased by more than 7 per cent. to give all FIS families extra help. In addition, we shall introduce new higher prescribed amounts for families with older children. That will mean, for example, that the prescribed amount for a child aged between 11 and 15 years will be increased by an extra £2 and for a child aged 16 and over by an extra £3 a week ahead of prices.

Secondly, we shall increase the child's needs allowance in housing benefit to £14·50 per week—£1 a week more than the normal uprating would have required.

Taken together with the reduction in national insurance contributions for lower paid workers announced in the Budget, those two measures are further steps towards reducing the unemployment trap and directing help more effectively to the families most in need.

Benefits for disabled people, war pensioners and war widows will all be increased by 7 per cent. This will mean that the pension for a war widow will go up to £49·80, the higher rate of attendance allowance will increase to £30·60 a week and mobility allowance will go up to £21.40.

For invalidity benefit, the Government propose to make a total increase of 12 per cent. This will restore the 5 per cent. abatement as well as giving the full 7 per cent. uprating. It will mean that invalidity benefit will increase from £34·25 to £38·30 for a single person and from £54·80 to £61·30 for a married couple. This will bring it in line

with retirement pension once more and give an increase of £4·05 a week for a single person and £6·50 for a married couple.

I should also take this opportunity to tell the House that it is our intention to take powers to increase the £10,000 vaccine damage payment, which has remained at that level since 1979, to £20,000.

The measures announced in this statement will add over £2 billion to the social security budget. The result is that the budget will now stand at over £42 billion a year, almost a third of all Government spending. I shall be laying a schedule giving the increases in the main benefit rates before the House.

As I have already told the House, this will be the last time that benefits are uprated in November. Next year an uprating will take place in July before the new annual cycle based on April begins in 1987. The Government will be introducing an amendment to the Social Security Bill in another place to enable this change.

Had we continued with the unreliable forecast method of uprating introduced by the last Labour Government, the uprating of benefits that I am announcing today would be substantially less. As it is, this uprating will protect those people in greatest need, give extra help to many disabled people and fulfil our pledges to the pensioners of this country.

Following are the main social security and housing benefit rates:

	Existing weekly rate £	*Proposed weekly rate* £
Main contributory and non-contributory rates		
Child benefit		
Each child	6·85	7·00
One parent benefit		
First or only child of certain lone parents	4·25	4·55
Standard rate of retirement* and widows pensions, and widowed mothers allowance		
Single person	35·80	38·30
Wife or adult dependant	21·50	23·00
Earnings limit for retirement pensioners	70·00	75·00
Standard rate of invalidity pension		
Single person	34·25	38·30
Spouse or adult dependant	20·55	23·00
Invalidity allowance		
(i) Higher rate	7·50	8·05
(ii) Middle rate	4·80	5·10
(iii) Lower rate	2·40	2·55
Standard rate of unemployment benefit		
Beneficiary under pension age		
Single person	28·45	30·45
Wife or other adult dependant	17·55	18·80
Beneficiary over pension age		
Single person	35·80	38·30
Wife or other adult dependant	21·50	23·00
Standard rate of sickness benefit		
Beneficiary under pension age		
Single person	27·25	29·15
Wife or other adult dependant	16·80	18·00
Beneficiary over pension age		
Single person	34·25	36·65
Wife or other adult dependant	20·55	22·00
Widows allowance (first 26 weeks of widowhood)	50·10	53·60
Maternity allowance	27·25	29·15
Attendance Allowance		
Higher rate	28·60	30·60
Lower rate	19·10	20·45
Severe disablement allowance	21·50	23·00
Retirement pension for persons over pension age on 5 July 1948 and persons over 80*	21·50	23·00
Therapeutic earnings limit	23·50	25·00
Invalid care allowance		
Increase of invalid care allowance for wife or other adult dependant	12·85	13·75
Mobility allowance	20·00	21·40
Guardians allowance/child's special allowance	7·65	8·05
Rate of child addition to widows, invalidity, and retirement pensions, invalid care allowance and severe disablement allowance and unemployment and sickness benefits where claimant is over pension age	7·65	8·05
Industrial injuries benefits		
Disablement benefit (100 per cent. assessment)	58·40	62·50
Unemployability supplement	34·25	38·30
Special hardship allowance (maximum)	23·36	25·00
Constant attendance allowance/exceptionally severe disablement allowance	23·40	25·00
Industrial death benefit widows pension		
First 26 weeks	50·10	53·60
Higher permanent rate	36·35	38·85
Lower permanent rate	10·74	11·49
Main supplementary benefit rates		
Ordinary rate		
Couple	45·55	47·85
Person living alone	28·05	29·50
Non-householder 18 and over	22·45	23·60
Non-householder 16-17	17·30	18·20
Any other person aged 11-15	14·35	15·10
Any other person aged under 11	9·60	10·10
Long-term scale rate		
Couple	57·10	60·00
Person living alone	35·70	37·50
Non-householder 18 and over	28·55	30·00
Non-householder 16-17	21·90	23·00
Board and lodging limits		
Ordinary board and lodging	† £45·00 to	£70·00
Hostels	£70·00	
Residential care homes	£110·00 to	£170·00
Nursing homes	£138·60 to	£198·60
Heating additions		
Lower rate	2·10	2·20
Higher rate	5·20	5·45
Central heating additions		
Lower rate	2·10	2·20
Higher rate	4·20	4·40
Estate rate heating additions		
Lower rate	4·20	4·40
Higher rate	8·40	8·80
Housing benefit needs allowances		
Single person	45·10	47·70
Couple/single parent	66·50	70·20
Single handicapped person	50·30	53·20
Couple, one handicapped/ single handicapped parent	71·70	75·70
Couple, both handicapped	74·15	78·25
Dependant child addition	12·85	14·50
Main increased war pension rates		
Disablement pension for Private or equivalent (100 per cent. assessment)	58·40	62·50
Age allowance with assessment of:		
40 per cent. to 50 per cent.	4·05	4·35
Over 50 per cent. but not more than 70 per cent.	6·35	6·80
Over 70 per cent. but not more than 90 per cent.	9·10	9·75
Over 90 per cent.	12·70	13·60
Unemployability allowance		
Personal allowance	38·00	40·65
Increase for wife or other adult dependant	21·50	23·00
Increase for child	7·65	8·05

	Existing weekly rate £	*Proposed weekly rate* £
Constant attendance allowance		
Exceptional rate	46·80	50·00
Intermediate rate	35·10	37·50
Normal maximum	23·40	25·00
Half and quarter day	11·70	12·50
Comforts allowance		
Higher rate	10·10	10·80
Lower rate	5·05	5·40
Mobility supplement	22·25	23·80
Allowance for lowered standard of occupation (maximum)	23·36	25·00
Exceptionally severe disablement allowance	23·40	25·00
Severe disablement occupational allowance	11·70	12·50
Clothing allowance (per annum)		
Higher rate	79·00	85·00
Lower rate	50·00	54·00
Widows pension—Private's widow		
Standard rate	46·55	49·80
Childless widow under 40	10·74	11·49
Rent allowance (maximum)	17·70	18·95
Age allowance for elderly widows		
Age 65 to 69	5·00	5·35
Age 70 to 79	10·00	10·70
Age 80 and over	12·50	13·40
Family income supplement		
Prescribed amount, family with one child	90·00	
Child under 11		97·50
Child 11-15		98·50
Child 16 and over		99·50
Increase for each additional child	10·00	
Child under 11		11·50
Child 11-15		12·50
Child 16 and over		13·50
Maximum amount payable, family with one child	23·00	
Child under 11		25·00
Child 11-15		25·50
Child 16 and over		26·00
Increase for each additional child	2·00	
Child under 11		2·00
Child 11-15		3·00
Child 16 and over		3·50

* An age addition of 25p per week is payable to retirement pensioners who are aged 80 or over.

†. Depending on area.

Mr. Michael Meacher (Oldham, West): Is the right hon. Gentleman aware that the uprating of child benefit by less than one third of the rise in prices is targeting children as the first losers in his Green Paper cuts package? Is he aware that that decision will deprive 7 million mothers and 12 million children of £220 million during next year? Is he aware that that betrays the pledge solemnly given by his predecessor and restated frequently by Ministers that it is the Government's intention

"to uprate child benefit each year to maintain its value."—[*Official Report*, 28 July 1980; Vol. 989, c. 1063.]

Is it not clear that the uprating was revealed today only because the Government had no choice? Otherwise, it would have been concealed like the rest of the cuts in the pipeline. Is this not a clear sign of the shape of things to come, and does it not reveal all too blatantly why the Government have refused to give the Green Paper figures —so that we could not know who the losers would be?

Is the right hon. Gentleman aware that surveys have shown that one third of all children now grow up in poverty or in low-income families? Does it not demonstrate the Government's scale of values that they would rather cut cash to children than tax perks to the rich? Is it not now clear that the Government have signalled further cuts in or freezing of child benefit when they say in paragraph 4.49 of the Green Paper that they will have regard to the need to concentrate resources on the area of family credit in determining the overall level of child benefit? Does that not mean that the Government intend to cut the value of child benefit even further?

Is the right hon. Gentleman aware that we welcome the restoration of the 5 per cent. abatement of the invalidity pension, while pointing out that it should not have been cut in the first place? When will the Government restore the cumulative loss to the long-term sick and disabled for the annual 5 per cent. shortfall over each of the past five years? Why is not the 5 per cent. abatement on maternity allowance and sickness benefit being restored at the same time? Why have the Government three years after the abolition of the earnings-related supplement, still not fulfilled the promise then given by the then Under-Secretary of State for Social Services, the hon. Member for Wallasey (Mrs. Chalker),

"to improve maternity pay when the earnings-related supplement is no longer paid with the maternity allowance."—[*Official Report*, 14 May 1981; Vol. 4, c. 920.]

Is the right hon. Gentleman aware that one of the most significant points about his statement today is what it omits? It omits to give our 10 million pensioners any share in rising living standards. Is he aware that if Labour's policy of uprating pensions in line with either prices or earnings, whichever is the higher, had not been chopped by the incoming Tory Government, single pensioners would today have a pension £3·90 a week higher than today's uprating, and married pensioners would have a pension no less than £6·15 higher every week this year?

The statement is a cuts statement. It shows the path on all the issues other than those for which the Secretary of State is statutorily required to uprate by law which the Government intend to take over the next few years. It shows who the Government will discard first. Even this Government cannot blame children for their dependence, yet they have started to whittle away the only income guaranteed to every child without fear or favour.

Mr. Fowler: That is one of the most ludicrous responses that I have heard even from the hon. Gentleman. We have announced today an extra £2 billion of spending. The effect is that the social security budget will now exceed £42 billion. That is one third of the total of public spending. Against that background, it is ludicrous to say that the Government are attacking social security.

The fact is that, in spite of all the problems of past years, we have maintained our commitment to those most in need and those in retirement. The fact is that the pensions increase, to which the hon. Gentleman referred, means that pensions have increased by 96 per cent. since November 1978, which is 10 percentage points ahead of

[Mr. Fowler]

inflation. When the hon. Gentleman lectures us about our concern for the pensioners, let me remind him that it was his Government who presided over a 110 per cent. increase in inflation, which was devastatingly bad news for every pensioner.

The hon. Gentleman's major point was about child benefit. We are spending £2 billion in this uprating. We have had to decide the social priorities for that spending. The first priority must be to give help to families in greatest need. That is why we are giving a full uprating of one-parent benefit. That is why we are giving a full uprating of the children's scale rate on supplementary benefit as well. That is why we are giving more help to family income supplement families with older children. That is why we are giving more help through the housing benefit child needs allowance. The first aim is to direct help to the poorest. We have identified the poorest families as being one of the areas that we most want to help. That is precisely what we are doing.

Mr. Robert McCrindle (Brentwood and Ongar): If, as many commentators predict, the rate of inflation in November, when these increases are paid, has fallen again below 7 per cent., will not that represent a small but welcome increase in the standard of living of the beneficiaries?

Mr. Fowler: That is precisely the point that I made in my statement. As my hon. Friend realises, inflation is now at 7 per cent. The forecast is about 5 per cent. for November-December this year. Had we kept to the forecast method of the Labour Government, the uprating would be less, and pensioners would receive £1 less in their pension than under this up rating.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): Is the decision to cut back the increase in child benefit a one-off decision, or has the right hon. Gentleman taken the view that child benefit will continue to suffer in terms of indexation in the foreseeable future?

Mr. Fowler: Each year, and at each uprating, we have to decide what the social priorities for spending are. We have made it absolutely clear that the first aim, the first call on resources, is direct help for families whom we define as being in greatest need. However, we shall keep the issue under review.

Mrs. Edwina Currie (Derbyshire, South): Does not my right hon. Friend feel even a little sorry for the Opposition spokesman, the hon. Member for Oldham, West (Mr. Meacher), who constantly uses the lurid language of Armageddon and attributes to the Government all sorts of nefarious motives and activities when the facts are just the opposite? Cannot we buy the hon. Gentleman a violin, and then it might sound a bit better? Does not today's uprating of £2 billion show that the Government keep their promises and will care for the most needy in our society?

Mr. Fowler: We do not want to attack the hon. Member for Oldham, West (Mr. Meacher) too much, because he might be moved unless we are very careful. What the uprating most certainly shows is that we are keeping our word and our pledges to the pensioners, and we shall continue to do so.

Mr. Jack Ashley (Stoke-on-Trent, South): Is the Secretary of State aware that I welcome the increase in the vaccine damage payment? However, does he agree that it is no real substitute for a comprehensive compensation scheme, which is what the children merit and deserve?

Rather than feeling sorry for my hon. Friend the Member for Oldham, West (Mr. Meacher), will the right hon. Gentleman reflect on the fact that any increase must be more than 7 per cent. — the inflation rate — to be meaningful, and that any increase less than 7 per cent. would be a cut, which would be disgraceful?

Mr. Fowler: I do not accept the right hon. Gentleman's last point. As I have explained to the House, we have increased spending by more than £2 billion as a result of the uprating. The right hon. Gentleman will know that within a budget of more than £42 billion decisions must be taken.

I am grateful to the right hon. Gentleman for his comment on the vaccine damage payment, and realise that he would like us to go further. Nevertheless, I hope that he feels that we have taken a fairly giant step in the right direction.

Mr. Ian Lloyd (Havant): Whatever its merits against a wide range of criteria—and I do not dispute that there may be some—does not the announcement represent a massive transfer of real resources from the economically active to the economically inactive population? Do the Government accept that there is a limit to that transfer, and, if so, what is it?

Mr. Fowler: It seems to me and to the Government that we have a responsibility to care for and to provide resources for those in our country who are most in need. It is a responsibility that the Government will fulfil.

Mr. Frank Field (Birkenhead): I thank the Secretary of State for his announcement of benefit increases. May I draw his attention to the part of his statement on which he did not dwell? Will he list those benefits and parts of benefits that have been cut? How many millions of claimants will be affected? What will be the total saving of public expenditure?

Mr. Fowler: The major changes concern child benefit, housing benefit and the central heating additions. The measures all told will reduce the increase in the social security bill by £85 million this year and £250 million in a full year.

Mr. Douglas Hogg (Grantham): Does the fact that my right hon. Friend feels unable to uprate child benefit by the full 7 per cent. suggest either that wealthier people should pay tax on the benefit or that they should not receive it? If either of those policies were pursued, would not more resources be available to those in greatest need?

Mr. Fowler: Perhaps my hon. Friend will concede that we have sought to direct more resources to those families in greatest need through the family income supplement scheme. I am sure that my hon. Friend already knows that if we followed his advice on taxation of child benefit the result would be a reduction in the take-home pay of literally millions of people. That is a step about which we should think carefully before taking it.

Mr. Derek Foster (Bishop Auckland): Will the Secretary of State confirm that one of the most urgent priorities is families with children? Does he recall the

statement of former Secretaries of State and successive Ministers that one of the most effective ways of tackling family poverty is child benefit? How does he justify failing to uprate child benefit in line with inflation?

Mr. Fowler: For the reasons that I have just given, not only are we retaining child benefit as a universal benefit, but in the uprating we are providing a full uprating of one-parent benefit, children's scale rates on supplementary benefit and more help for families on family income supplement. That seems to me a sensible priority aimed at providing more help for low-income families.

Mr. Patrick Cormack (Staffordshire, South): Does my right hon. Friend remember that when many of us were first elected to this House 15 years ago today the Conservative party was already committed to the abolition of the earnings rule? Can he now set a date for that abolition?

Mr. Fowler: I very much wish that I could, but I cannot at the moment. We have eased the earnings rule and we are entirely committed to abolishing it. We will continue to keep under review the exact date when that can take place.

Mr. Harry Ewing (Falkirk, East): Is the right hon. Gentleman aware that had the Government not abolished the earnings-related rule in relation to pensions, single pensioners would today be £3·90 and married couples over £6 a week better off? That means that under his stewardship pensioners are worse off than they would have been had the Conservatives not been in office.

Mr. Fowler: It would also have meant that contributions and tax would have had to be increased— *[Interruption.]* Either contributions and tax would have had to be increased or there would have had to be cuts elsewhere in the social security budget. It would have been a matter of choice. I should have thought it more sensible to keep to the policy that we are pursuing and to keep pensions in line with prices.

Mr. Michael Stern (Bristol, North-West): Does my right hon. Friend agree that the only way in which this policy of keeping pensions rising faster than prices can continue in future is to abolish the impossible commitment to the SERPS scheme?

Mr. Fowler: To the extent that the emphasis in future should be on the basic pension rather than on the state earnings-related scheme, I agree with my hon. Friend.

Mr. Charles Kennedy (Ross, Cromarty and Skye): While the general uprating is to be welcomed, will the right hon. Gentleman agree that the comments made by him and the Minister for Social Security at Question Time begin to look rather cynical? Is it not evident that by not increasing child benefit to the rate at which it should be increased and by ploughing enhanced cash support into family income supplement — which the right hon. Gentleman spent Question Time discrediting because of its low level of take-up — this is a cost-cutting exercise which is not targeting in on family poverty?

Mr. Fowler: No, it is making use of the mechanism and structure that we have. We want to replace FIS by the new family credit scheme, but, clearly, that will take some time to achieve. Family income supplement is being increased, and that is one of the effects of what I have announced.

Sir William Clark (Croydon, South): By all accounts, £42 billion spent on welfare in this country is rapidly approaching, if it has not passed, the maximum figure that the taxpayer can afford to pay. If it is Government policy, with which I agree, that the poor should be helped, why is not child benefit taxed in respect of the wealthy? Take-home pay will be reduced if child benefit is taxed, but that must be equitable if we wish to help the poorer people.

Mr. Fowler: My hon. Friend is right to say that we are spending an enormous amount on social security. About one third of all public spending is going on the social security budget. There is not much that I can add to what I said about child benefit. I know of no other country in western Europe which does not recognise—through the tax system or the benefit system, or both — the additional cost for all parents of having children. I regard that as a sensible policy and a sensible recognition.

Mr. James Lamond (Oldham, Central and Royton): If the budget is £40 billion when inflation is running at 7 per cent., surely that should be increased by £2·8 billion to keep up with inflation. Is the right hon. Gentleman aware, therefore, that £800 million more is required, in addition to the increase that he has announced? Does he appreciate, in other words, that his statement represents for many people a real cut in benefits of £800 million?

Mr. Fowler: The hon. Gentleman is allowing his conspiracy theory to run away with him. I have explained that there is a different benefit uprating and that it is 5·1 per cent. for supplementary benefit, and we must bear in mind the administrative costs of the system. I gave the hon. Member for Birkenhead (Mr. Field) the figures, and I assure the hon. Member for Oldham, Central and Royton (Mr. Lamond) that there are no hidden cuts.

Mr. Nigel Forman (Carshalton and Wallington): Is my right hon. Friend aware that many of us on the Conservative Benches warmly welcome the overall shape of his announcement and its components, notably the real price protection for the unemployed and pensioners? Will he bear in mind that when the change in child benefit was made it was part of the deal that, because it was a move from a system of tax allowances to one of child benefit, it should be available throughout the income scale?

Mr. Fowler: I entirely agree with my hon. Friend.

Mr. Dennis Skinner (Bolsover): Is the right hon. Gentleman aware that, if he really wants to help pensioners, those on supplementary benefit and others, the easiest way of doing so is to get more people back to work to reduce the £20 billion that is spent on financing the dole queue? If the right hon. Gentleman did that, he would really help the people who are suffering. If the right hon. Gentleman is so sure that he is doing the right thing, why are there now many more millions of people in poverty than when the Conservative party took office? Although the Tory press will applaud the right hon. Gentleman tomorrow, the truth is that he has tried to turn a pan of boiling water into a seven-course dinner, but we shall see through it.

Mr. Fowler: We look forward to the hon. Gentleman's offerings. The way to reduce unemployment is not to preside, as the last Labour Government did, over an inflation rate which went out of control because that——

Mr. Neil Kinnock (Islwyn): No.

Mr. Fowler: If the Leader of the Opposition does not agree, his credibility is even shakier than it was before.

Mr. Gordon Brown (Dunfermline, East): Why is the Secretary of State implementing his social security review decisions with cuts in housing benefit, heating additions and the real value of child benefit? Does he recall the Prime Minister saying that raising the value of child benefit was evidence of the Government's commitment to the family? Does he recall his statement before the election that child benefit was the most cost-effective way of helping families with children? How many people will lose because of these decisions?

Mr. Fowler: I have already sought to set out the areas of loss with respect to child benefit, housing benefit and central heating additions and the amounts involved. I must point out to the hon. Gentleman, who continues to be sour on every conceivable point concerning supplementary benefit, that, by any standards, an uprating that costs more than £2 billion a year cannot be dismissed as the action of some mean-minded Government.

Mrs. Virginia Bottomley (Surrey, South-West): Does my right hon. Friend agree that his decision that families on family income supplement should receive higher prescribed amounts for older children will make an enormous contribution to the working poor and will alleviate the poverty and unemployment traps prior to the introduction of family credit?

Mr. Fowler: It can certainly be seen as a step in that direction. One of the anomalies of the present position is that, although the child rate for supplementary benefit distinguishes between ages, that does not occur with respect to in-work credit. We have tried to move in that direction.

Dr. Oonagh McDonald (Thurrock): Will the right hon. Gentleman now admit that he was trying to mislead the House in his remarks about Labour and pensions upratings, as was shown in his reply to my hon. Friend the Member for Falkirk, East (Mr. Ewing)? Will the right hon. Gentleman now state clearly that, if the link between earnings and pensions had not been abolished by his Government, single pensioners would be better off by £3·90 a week and married pensioner couples by £6·15 a week? If the earnings link had applied, they would have received a similar uprating during the Conservative party's period in office. Will the right hon. Gentleman now admit that honestly and truthfully to the House?

Mr. Fowler: The hon. Lady has said absolutely nothing about how that will be afforded and how the resources will be gathered. To provide benefits of the size proposed by the hon. Lady, contributions and taxes would have to be increased, or she would have to cut elsewhere in the social security budget. If the hon. Lady wants an example of what the Labour Government did, she should look back to the mid-1970s when Mrs. Castle was Secretary of State for Social Services. She changed the uprating rules, operated on a forecast basis and saved more than £1 billion from pensioners.

Mr. J. F. Pawsey (Rugby and Kenilworth): Does my right hon. Friend accept that the £4 per week increase for pensioner couples will be widely accepted by both sides of the House as the action of a caring and compassionate Government? Does my right hon. Friend accept, however, that some hon. Members believe that child benefit should be concentrated on those who are most in need?

Mr. Fowler: I do not have anything further to add on the question of child benefit. I am certain that the increase for pensioners, which we are announcing this afternoon, will be widely welcomed because it shows the Government's continuing commitment to pensioners.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): Why will not the Secretary of State confess that, even on pensions, he has not been generous? He has done only the absolute minimum required by law to keep up pensions with inflation. There has been no real increase. Will he admit that, because of cuts in housing benefit and heating assistance and his failure to increase the age allowance in line with inflation, many hundreds of thousands of pensioners will even have part of this increase clawed back.

Mr. Fowler: We have committed more than £2 billion of extra resources to social security. The bulk of those resources will go to pensioners. That is a fact, and it does the hon. Gentleman no credit to deny it.

Mr. Patrick Nicholls (Teignbridge): My right hon. Friend has been criticised for the fact that this Government abolished the earnings link with pensions. So that pensioners may assess what is on offer from the two parties, will my right hon. Friend remind the House that, in three of the five years when the earnings link existed, the Labour Government had to get out of it because they could not even honour their own legislation? When the then Labour Secretary of State for Social Services was criticised for not taking that factor into account, he said, "We had to take it into acccount; we did not have to get it right." What sort of cynicism is that? What prospect does that hold for the future of pensioners under a Labour Government?

Mr. Fowler: My hon. Friend is entirely right. We are content to be judged on our record with respect to pensioners and to let the public decide on that record.

Mr. William Cash (Stafford): I congratulate my right hon. Friend on his statement and on the Green Paper, which represents a landmark in responsible government. Will he explain more precisely how he will protect widows? Will they receive the 7 per cent. increase that has been allowed for everyone else? He was not entirely specific on that point.

Mr. Fowler: Widows' benefits will increase by 7 per cent. in the normal way and will be fully uprated. I shall make a further announcement concerning widows in the speech that follows these exchanges.

Mr. Meacher: Will the right hon. Gentleman confirm that the non-indexing of child benefit will cut about £220 million a year while the extra resources that he boasts of concentrating on children in families on family income supplement will amount to only about £5 million? Will he acknowledge that he misled the House a moment ago when he said that pensioners would have lost out under Labour's pension uprating formula? That formula included the earnings link, as a result of which after six years of Labour Government pensioners were 20 per cent. better off in real terms, which is far more than after six years of Tory government.

Mr. Fowler: The figure for which the hon. Gentleman is searching is not the one that he has cited. The net saving in child benefit in a full year is £175 million. If the Conservative Government had kept to the forecast method used by the last Labour Government, this uprating would have been less. The Labour Government—I think that the hon. Gentleman was a Minister in the Department at that time—changed the uprating formula to save money. In present terms, a Labour Government would be saving more than £1·2 billion in one of the most cynical moves ever perpetrated by any Government.

NORTHERN IRELAND AFFAIRS

Ordered,

That the proposal for a draft Gas (Northern Ireland) Order 1985, being a matter relating exclusively to Northern Ireland, be referred to the Northern Ireland Committee for its consideration.—*[Mr. Donald Thompson.]*

STATUTORY INSTRUMENTS, &c.

Ordered,

That the draft Education Support Grants (Amendment) Regulations 1985, be referred to a Standing Committee on Statutory Instruments, &c.—*[Mr Donald Thompson.]*

Ordered,

That the draft Weights and Measures Act 1963 (Various Foods) (Amendment) Order 1985, be referred to a Standing Committee on Statutory Instruments, &c. — *[Mr. Donald Thompson.]*

Crown Immunity (Removal from Workplaces)

4.10 pm

Mr. Jack Ashley (Stoke-on-Trent, South): I beg to move,

That leave be given to bring in a Bill to remove Crown immunity from premises covered by the Health and Safety at Work Act and the Food Hygiene Regulations; and for connected purposes.

Crown immunity is an out-dated anachronism that allows so-called Crown authorities to flout the food hygiene laws and the health and safety regulations and protects many institutions which cannot be sued in the criminal courts unless it is specifically provided for by legislation. But the Government rarely provide for that. The reason is that Crown immunity has nothing to do with the Crown. It enables the Government to evade our laws which they press other people to obey. That is unacceptable in principle and unjust in practice, especially regarding the food and hygiene laws and the health and safety regulations. A few minutes ago the Prime Minister said that the law was indivisible and should be obeyed. One can say amen to that, but the law is being evaded by the Government because they are hiding behind Crown immunity.

I am a Member sponsored by the General, Municipal, Boilermakers and Allied Trades Union. One of the national officers of that union, John Edmonds, has organised a survey of hospitals. Some of the evidence that he has uncovered about hospital kitchens is horrific. For example, in one hospital there are open gutters, foul-smelling grids and electrical equipment with broken switches and no proper defence mechanism. People spray insecticide in the kitchen while food is being prepared. That is taking place in a very large south-west London hospital that is preparing food for hundreds of patients. One can only imagine what goes on. The hospital cannot be prosecuted because of Crown immunity. The union survey found that no fewer than 25 per cent. of hospital kitchens would face closure if there were no Crown immunity, so patients and the public are beginning to learn about the dreadful condition of many hospital kitchens.

The Department of Health and Social Security knew about this problem seven years ago. In 1977, the Institution of Environmental Health Officers said that nearly 1,000 hospital kitchens were below standard and that 100 of those hospital authorities merited prosecution —how is that for flaunting the law?—but they could not be prosecuted because of Crown immunity. The response of the Department of Health and Social Security was to send a polite circular to the health authorities inviting them to ask the environmental health officers to visit those hospitals and suggest that they should comply with the food and hygiene regulations.

In bureaucratic terms, the problem was resolved but in reality the problems were neglected, as the tragic events at the Stanley Royd psychiatric hospital in Wakefield have proved. It is not for me to pre-empt the inquiry at Wakefield, but the House should know that a former medical officer of health, giving evidence there, said that seven years ago he warned the health authority that the kitchen of that hospital was a culinary disaster area. Secondly, an environmental health officer has said that he would have prosecuted that health authority, because of

[Mr. Jack Ashley]

the conditions in the kitchens before the tragedy, if it had not been for Crown immunity. Without Crown immunity, therefore, that health authority would have been forced by the courts to act, and without Crown immunity 19 people who have died in that Wakefield psychiatric hospital might not have died.

Food poisoning there is not an isolated case. There have been recent outbreaks at Leicester, Cardiff and London. There are about 40 outbreaks of food poisoning every year in National Health Service hospitals. We can take no comfort from the attitude of certain health authorities. It may be remembered that when some cockroaches were found in a stew a few weeks ago one of the health officials said that it was all right; the cockroaches were sterile because they had been cooked.

The pest control group has said that many hospitals are infested with cockroaches. The Minister for Health should stop smiling and listen, because the hospitals for which he is responsible are in a shocking condition. He is responsible, he is negligent, and he is doing nothing about it.

The pest control group has said that the kitchens of the hospitals for which the Minister for Health is responsible are full of cockroaches and nothing is being done about it. The group has said that those vermin are causing disease —polio, hepatitis, gastro-enteritis and salmonella. The Minister should remember that salmonella killed 19 people in the Wakefield psychiatric hospital. What did the Minister do about the 19 people who lay dead because of negligence? Let there be fewer smiles on the Government Front Bench while I am introducing a Bill about a very important subject that affects people in hospitals.

My union is rightly concerned not only about patients but about people working in hospitals. It believes that hospital employees are very badly treated. I have no time to go into the details, but the hospitals cannot be prosecuted because of Crown immunity. Therefore, both patients and employees are at risk because the Government are hiding behind Crown immunity.

The Government defend Crown immunity by saying that the Crown cannot sue the Crown. That is legal mumbo-jumbo. That argument has been resolved in other countries and it can be resolved here. The principal argument is cash. If health authorities could be prosecuted, they would have to find the cash to clean up the hospitals and pay for improvements. If they had to pay for those improvements, there would be an end to this scandal of hospital patients dying through neglect. There would also be more protection for Health Service workers.

I hope that the House will sweep away the cloak of Crown immunity and provide proper protection for hospital patients.

Question put and agreed to.

Bill ordered to be brought in by Mr. Jack Ashley, Miss Betty Boothroyd, Mr. Robert C. Brown, Mr. Conal Gregory, Mr. Michael Meadowcroft and Mr. Gerald Kaufman.

CROWN IMMUNITY (REMOVAL FROM WORKPLACES)

Mr. Jack Ashley accordingly presented a Bill to remove Crown immunity from premises covered by the Health and Safety at Work Act and the Food Hygiene Regulations; and for connected purposes. And the same was read the First time; and ordered to be read a Second time upon Friday 5 July 1985 and to be printed. [Bill 161.]

Social Security (Reform)

4.20 pm

The Secretary of State for Social Services (Mr. Norman Fowler): I beg to move,

That this House welcomes the Government's Green Paper, Reform of Social Security, Cmnd. 9517-9; and endorses the Government's aims of achieving a better social security system which would direct help to the people who need it most, make the benefit system simpler to understand and run, base pensions on a partnership between the state and individuals, and put social security on a sound basis which the country can afford.

Mr. Speaker: I should inform the House that I have selected the amendment in the name of the Leader of the Opposition. As no fewer than 32 right hon. and hon. Members have expressed interest in contributing to this important debate, I propose that speeches should be limited to 10 minutes between 6 pm and 8 pm, but I hope that those contributing later in the debate will also observe that limit.

Mr. Fowler: The central question in this debate is what changes should be made to social security to equip it for the role that it has today and to prepare it for the developments that are to take place in the next half century. Whatever differences there may be in the solutions suggested, very few people outside the House are arguing that nothing should be done. The case for reform —the need for change—is overwhelming. In the Green Paper the Government have set out their plans for reform. These plans are based on an 18-month examination of the social security system—the most extensive examination for 40 years. In that time we received 4,500 separate submissions of evidence and held some 20 public sessions to take further evidence.

It is clear that social security suffers from a range of defects. It is too complex, with more than 30 different benefits, each with its own rules. Help does not always go where it is most needed despite the vast budget devoted to social security. There is also the totally unjustifiable position in which some people can find themselves worse off if they take a job than if they remain on benefit. The system is not properly equipped with computers to provide the best possible service to the public. The potential for co-operation between the social security and tax systems is not being achieved.

The whole system cries out for reform. That is why the Government are tackling the matter. Of course, there are those who argue that it is all so immensely difficult that Governments should avoid the challenge, but I do not believe that such an attitude is justifiable. Fundamental problems exist today and other emerging problems, such as the future cost of the social security budget, will affect not only our children but many contributors today. Any Government worthy of the name must face those issues. To do otherwise would be an abdication of responsibility.

There is also a responsibility on any other party which has any pretensions to form a Government to set out its policies. In the debate in the coming months we shall want to know just where the Labour party and indeed the other parties stand on their own policies—not just what they are against, but what they are for.

We should not forget that the Labour party has been conducting its own review of social security. According to *The Observer* of 14 April, the review undertaken by the hon. Member for Oldham, West (Mr. Meacher) was intended to pre-empt the Government's Green Paper and was seen by his colleagues as an election winner. On 15 April the hon. Gentleman published his proposals. They involved scrapping mortgage tax relief, scrapping the married man's tax allowance, which would bring about 1 million people back into tax, and spending a further £15 billion. Clearly, not all the hon. Gentleman's colleagues regard him as a natural election winner, but the fundamental point remains that we are still waiting for the Labour party's full report.

Mr. Michael Meacher (Oldham, West): The right hon. Gentleman has not published the figures.

Mr. Fowler: We have published several volumes of our report. When the hon. Gentleman published the first two chapters of his report he said that the full proposals would be published shortly by Spokesman Books. I hope that nothing nasty has happened to them at the printers.

It is just not good enough for the Opposition, not only to avoid setting out their own policies, but to duck the real debate on the structure of the system on the basis of a bogus argument about figures. The Government have made it clear—and I make it clear again today—that we shall set out a range of illustrative figures with the White Paper in the autumn. The purpose of the Green Paper is to get discussion of the structure and the principles of reform. I hope that by the time we put forward our range of figures the Leader of the Opposition will have put forward not just illustrative figures but some illustrative policies on behalf of the Labour party.

Mr. Gordon Brown (Dunfermline, East) *rose*——

Mr. Fowler: Perhaps I may continue.

The central purpose of the Green Paper is to focus discussion on the structure of social security that we want for the next 30, 40 or 50 years. Nowhere is that more important than in the context of pensions. I hope that one point, at least, will be accepted by the House—that the projections have changed since the estimates published before the introduction of the legislation which set up the state earnings-related pension scheme. The 1974 White Paper published by the Labour Government appears to have assumed that the number of retirement pensioners would rise from 8·2 million in 1975-76 to about 9·5 million in the years 2010. No prediction of the number of pensioners was provided beyond that year. In fact, there are already not 8·2 million, but 9·3 million, people receiving retirement pensions. Moreover, evidence is now available which was not available at that time — in particular, the results of the 1981 census, which did not become available until 1984.

As a consequence of the census figures, the Government Actuary has increased his estimate of the number of pensioners in 2010 by 1 million—that is, 1 million more than expected in 1974. Beyond that, the best estimates available to us show that there will be a further 2·5 million pensioners by 2035. The peak number of pensioners will therefore be up to 3·5 million more than was publicly acknowledged in 1974 and 4 million more than we have today. At the same time, the ratio of contributors to pensioners worsens. The assumptions on which the SERPS scheme is based have thus been overtaken not only on population projections but on the other central assumption of 2·5 per cent. unemployment and a certain 3 per cent. annual growth.

Mr. Robin Corbett (Birmingham, Erdington) *rose*——

Mr. Fowler: Perhaps I may continue.

It is important that the Opposition should understand the thesis on which this is based. The result in terms of cost is basically this. There are now 9·3 million pensioners in this country. Providing pensions currently costs £15·4 billion, excluding the extra £1 billion of pensions spending that I have announced today.

In 50 years' time there will be 13·2 million pensioners. Providing basic pensions for them will cost between £22 billion and £43 billion a year at today's prices, depending on the basis of uprating—whether it is by prices or by earnings. On top of that, the state earnings-related pension scheme will add £23 billion a year. That is not significantly dependent upon the basis of the uprating. It is inflexibly fixed by the rules of the scheme and the promises which we are now making to ourselves about what our children should pay. In short, we face a pensions bill which will at least treble in real terms if we do not act now.

I do not believe that this evidence can be ignored or simply swept under the carpet. At some stage those issues will have to be faced. The real question is not whether anything should be done, but what should be done. That, of course, is not just my view, or just the Government's view; it is a view supported by a range of other organisations.

Mr. Brynmor John (Fontypridd): What is the change since 20 May 1983 and what new figures have become available since then, when the Government fought the last election on a pledge to keep SERPS as it was?

Mr. Fowler: The census figures which came through in 1984 revealed that there would be 1 million extra pensioners, not by 2035, but by 2010. The hon. Gentleman has great experience in this area. On the best evidence available to the Government—which would be available to any Government — the increase in the number of pensioners between now and 2035 will be 3·5 million to 4 million.

It is not just the Government who are setting out this case. It has been made by organisations such as the Institute for Fiscal Studies, which, referring to SERPS, said:

"It is difficult to discuss the future of social security rationally in the shadow of this foolish commitment."

One has to consider the views of the political parties. The Liberal party has never agreed with the introduction of SERPS. Indeed, in April, Lord Banks, the Liberal party's spokesman in the other place, wrote to *The Daily Telegraph* to point out that he and his party had

"consistently opposed the introduction of SERPS".

For the Social Democratic party, Mr. Dick Taverne, the party's social security expert, was entirely unequivocal. Speaking on Channel 4 in February, he said:

"The state earnings-related pension scheme is something which we won't be able to afford in the long run, so we should scrap it now before too many rights are acquired."

I concede—if that is the right word—that the leader of the SDP has changed the emphasis from that admirably clear statement of policy. As I understand his position now, it is not that SERPS should be left unaltered. He believes that, rather than a replacement, a restricted SERPS might be a better answer.

That is an option which we looked at in the review and which we discuss in the Green Paper. It is an option which one of the outside advisers on the review, Mr. Lyon, has made it plain he would prefer. I was surprised to hear the right hon. Gentleman the Leader of the Opposition quoting Mr. Lyon's views with such reverence last week, for basically what restricting SERPS means is that contributions to the state scheme remain the same while benefits are reduced.

Whatever is done to restrict SERPS simply cuts the benefits without putting anything in their place. That will still leave the two nations in pensions—one nation with its own occupational pension and the other nation without. Frankly, I do not believe—and I am content that the leader of the SDP should pursue that point—that Mr. Lyon's proposals have much attraction, either economic or human.

Mr. Jeff Rooker (Birmingham, Perry Barr): Is it not the case that the Government said in 1981, on the first quinquennial review of the state earnings-related pension scheme, that changing from the relationship of prices to earnings, to prices only, would undermine SERPS? Was that not the reason why the Secretary of State said before the review even started, in November 1983, that to set up the inquiry was not to call into question the fundamental pension structure which had been established with all-party support and to which he was himself a party? Finding another one million people is one thing; calling into question the fundamental structure is a totally different matter. Why has the Secretary of State overturned the promise which he gave when he set up the review in the first place?

Mr. Fowler: For the very good reason—and it is for the House and for the parties to decide on the merits of the investigation——

Mr. Roy Hattersley (Birmingham, Sparkbrook): And the public.

Mr. Fowler: I accept that, and I am prepared to debate this matter anywhere with the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley).

All the evidence that has become available to us in the course of this review has led me and the Government to question whether SERPS is an obligation. That was the purpose of the review. There is no point in having a review of this kind unless one is prepared to look at the options and at the evidence. One of the most depressing things about this is that Opposition Members call for the figures, but when the figures are produced, they take no notice of them.

Mr. Meacher: The Secretary of State speaks with much confidence about these population projections. How does he reconcile this with his own speech, when he said:

"the population forecasts are uncertain; they need to be treated with some caution."

I am glad to see the right hon. Gentleman nodding. He went on to say that now that it was policy to uprate pensions in line with prices rather than earnings

"it would be difficult to argue that we are unloading an intolerable burden on future generations."

Furthermore, why did the Green Paper include the worker-pensioner ratio only to the year 2035, when it is at its lowest point, and not include that same ratio at the year 2050 — figures which were available to the Government — which shows that the figure is considerably better?

Mr. Fowler: It seems to me that, not untypically, the hon. Gentleman has just shot himself in the foot. He questions my forecasts up to 2035, he says that those are uncertain, and then he wants me to produce forecasts to

2050. The hon. Gentleman has only to look at the Green Paper, in which we have not only set it out up to 2035, but, in the third volume, if I remember correctly, have shown an ultimate position for the number of pensioners. The point which the hon. Gentleman is seeking to make is that 2035 represents a peak of pensioners and a trough of workers, but it is a peak which has to be afforded and sustained. However the hon. Gentleman does his sums —God knows he does them in some peculiar ways at times—over the next 40 or 50 years we shall have between 3 million and 4 million extra pensioners. As social security spokesman for the Labour party, the hon. Gentleman has to face that fact. If he wants to argue that nothing can be changed, that is up to him, but we must argue on some factual basis.

Sir David Price (Eastleigh): Will my right hon. Friend point out to the hon. Member for Oldham, West (Mr. Meacher) that the figures depend upon an improvement in the birth rate, and that if the decline of the past 30 years is not reversed the ratio between pensioner and contributor in 2010 will be a good deal worse than the figures in the table?

Mr. Fowler: Yes, and the ratio between contributors and pensioners depends also upon a substantial improvement in employment. The hon. Member for Oldham, West will find it difficult to sustain the case that we are taking an unduly pessimistic view of the future.

The Government's approach is to begin now to face the long-term problems, and to do so constructively. The problem of SERPS is a problem for the next century and we have put forward proposals which will have their effect in the next century. We do not intend to change the position of any existing pensioner or anybody retiring this century. The time scale of pensions, I fully accept, is too long to make changes suddenly, but by beginning now to increase occupational and personal pension cover we will achieve a position where everybody is building up his own pension through his job.

In short, we are proposing, first, that the basic state pension will continue, and will continue to be protected against inflation; secondly, that the state earnings-related scheme will continue for everyone nearing retirement so that no one who retires for the rest of this century will be affected; and, thirdly, that men in their 40s and women between 35 and 45 will be given a special extra entitlement of rights which will be added to their pension.

In other words, the Government are facing the major problems and the major issues now, while at the same time giving everyone the right of an occupational pension or a personal pension with his job. These proposals should be added to the measures which we are already taking to improve the rights of early leavers from occupational pension schemes and to establish transfer rights so that there should be no obstacle to mobility.

Mr. Anthony Nelson (Chichester): Many people will agree with my right hon. Friend's proposal for changing the structure that deals with an actuarial probability of the liability in the future, but we are still left with the problem of having to pay for the substantial cost of the basic state pension and the new proposals for portable pensions. With the new figures, about which we know, of substantially more elderly people, this will, predictably enough, leave an enormous burden which has to be met out of total expenditure. Is there not a case for saying something about grasping the real nettle, which is whether we are prepared, and can afford, in future years annually to index and uprate these substantial benefits?

Mr. Fowler: I shall listen to what my hon. Friend says on that. The sensible way to approach this problem—we are agreed that a problem exists — is to put one's emphasis on the basic state pension. The Government are committed to increasing the basic state pension in line with the rise in prices, which is a sensible social and economic priority. At the same time, we want to move to a situation where virtually everyone in a job is building up a pension at the same time. In other words, we want to keep the advantage of personal pensions, but also have the flexibility which a pay-as-you-go system gives as well.

One of the fundamental mistakes in the debate on the pensions scheme is that there is a belief that the national insurance pension and SERPS will be paid from a fund. It will not be paid from a fund, because there is not one. We are seeking to put obligations upon future generations of contributors. The Governent are trying to tackle that problem. Strengthening individual provision is only one of the Government's objectives. We also recognise the vital role of our social security system in supporting those in need. Our aim is to develop the system of help for those on low incomes so that it is simpler, easier to understand and administer and fairer in providing help to all those who need it.

The shortcomings of supplementary benefit, for instance, are well established. The endless rules and detailed guidance on their interpretation inevitably lead to inaccuracy and frustration for claimants and staff alike. All too often the present system is also ineffective in achieving its aims. The hon. Member for Ross, Cromarty and Skye (Mr. Kennedy) asked me about the family income supplement in a question on my earlier statement. It is based on a one-child family, it gives only small additional increases in benefit to those with more children, and it takes no account of the children's ages. Because its structure is to different from supplementary benefit, many families especially larger families and those with children —can find themselves worse off than if they were out of work. That position cannot be supported.

Family income supplement, like housing benefit, is also paid on the basis of gross income. This ignores the 40p in the pound deductions for tax and national insurance which many people in receipt of these benefits still face. The result is that, in some cases, the cumulative loss of benefit is so large as to more than wipe out any increase in take-home pay. The proposals which the Government have now put forward will tackle those problems at their roots.

For the first time ever in this country, a Government have attempted to deal comprehensively with the needs of all low-income families. Up to now, income-related support has always been provided in a piecemeal fashion and different benefits have been cobbled together at different times to meet different problems. They have never been brought together within a single consistent framework.

The new family credit scheme is at the heart of the Government's approach to income-related benefits. It is based on the belief that there should be an effective bridge for low-income working families between the full support provided for children of those who are out of work and the level of universal assistance through child benefit.

[Mr. Fowler]

Family credit will provide that bridge. It will be based on the same structure as the new income support scheme, with extra help for older children and larger families, to help ensure that families cannot be worse off in than out of work. It will be assessed against pay after tax so that families cannot find benefit being withdrawn faster than their take-home pay increases. It will be paid by employers through the pay packet, so that it acts as an offset to tax and national insurance.

I believe that this method of payment will represent a significant narrowing of the gap between the tax and benefit system. Indeed, once the computerisation of the systems has been completed, it may become possible to use the same system for assessment as well as for payment. I also believe that payment through the wage packet will help to ensure that the benefit is taken up by more of those for whom it is intended.

Our proposals for a new income support scheme, backed by the social fund, will also be a major step forward. The new scheme will do much to end the intrusive personal questioning to which so many supplementary benefit claimants presently have to submit. Our system will be simpler. It will use the same resources —I emphasise that—in a better way to help those who are most in need.

Today, for example, additional assistance for heating and laundry is provided through individually assessed payments. The new scheme will build in the additional help automatically for those groups who are most likely to need it.

There is no question of just scrapping the additional requirements payments and of putting nothing in their place. We would be replacing a complex system, where help goes only to certain individuals after a process of assessment, by a simpler system in which entitlement will be clear and automatic. It would be a matter of taking the available resources and applying them so that they are shared equally and as of right by those groups whose needs are likely to be the greatest.

It is the social fund which will have the task of dealing with the genuinely exceptional circumstances and problems which inevitably arise. This goes much wider than the question of single payments under the existing supplementary benefit scheme. The purpose of the social fund will be to provide help much more flexibly and sensitively in a wider range of circumstances. We will be training staff specially to approach problems from a perspective which takes account of the whole range of an individual's problems. There will, of course, continue to be financial crises which have to be met.

More generally, we would expect the social fund to help people in response to their real needs. This will involve providing loans to those on income support to cope with the cost of unusually large purchases. It will also involve providing extra help with funeral costs and the new larger maternity grants. We will also be looking to develop the role of the social fund as a more active partner, with the health and social services authorities, and with the voluntary sector, in finding the right mix of cash and care to meet the needs of the elderly and other priority groups.

Dr. David Owen (Plymouth, Devonport): Will the Secretary of State accept that if the social fund is to win acceptance it cannot be cash limited, and that it must be able to reflect need?

Mr. Fowler: I accept that it must be able to establish that it is meeting need. I do not accept that it cannot operate within a budget in much the same way as many other areas in the social field operate. What I say to the right hon. Gentleman, who has had experience in the DHSS, is that there is no dignity in the present single payments system. Whatever criticisms may be levelled now at the social fund, I think that very few people would want to perpetuate the present system.

Mr. Frank Field (Birkenhead): I think that the Secretary of State's statement on family credit is the most significant that he has made on the Green Paper. He said that it would result in a significant narrowing of the gap between benefit and wage levels. How can he give that assurance to the House if he has not worked out his new scheme with figures? If he has, may we have the figures?

Mr. Fowler: For the very good reason that the movement to net pay is the most significant movement and the most significant policy development in the whole Green Paper. That is set out in the Green Paper, as the hon. Gentleman knows.

Mr. Neil Kinnock (Islwyn): We shall have more of the family credit system later. In the meantime, is the Secretary of State giving us a guarantee that, notwithstanding the fact that it will be cash-limited, the social fund cannot run out and that, if there is in any year a large number of claims on that fund, it will be extended?

Mr. Fowler: I said that we believe that the social fund can operate within a budget in the same way as, in the Health Service, for example, the hospital service works within a budget and the health authorities work within a budget. What we are trying to do here is to improve the position, and clearly we will be guided by the experience that we have in the operation of that fund. The right hon. Gentleman knows perfectly well—if he does not know, he should know — that the present position is indefensible. The present position, which has existed not just under this Government and not just under the previous Government, but since the 1940s, is indefensible.

The new role for social security will take time to develop, but, as with our aim of improving co-operation between the tax and benefit systems, we are anxious to see those parts of the welfare state which provide help to those in need work more closely and effectively together.

The final part of the new co-ordinated system of income-related benefits will be a much simpler housing benefit scheme. As with family credit, it will be assessed on the basis of net, not gross, income and will be based on the same broad structure as income support. This will mean that those on equivalent incomes will get equivalent help with their housing costs whether they are in or out of work—and that help will extend to 100 per cent. of rent for the poorest groups. As I have made clear, we are seeking to check—and I am being entirely frank—the amount of money going on housing benefit, for the good reason that one third of all households are receiving help with their housing costs, and help with domestic rates can extend to people well up the income scale.

We have therefore proposed to set a maximum limit on the help which can be given with rates. Much will

obviously depend upon the outcome of the Government's review of local government finance, but the principle that everybody should make at least some contribution to the cost of local services is one which the Government believe to be right.

I should just like to clear up one point on which some misunderstanding has arisen. Our plan for the restructuring of widows' benefits was based on the objective of giving greater help to widows at the time when they need it most — that is at the time of bereavement. We intend to replace the present widow's allowance by a sum of £1,000 payable at the time of bereavement. This will be in addition to the continuing benefits payable to widows with children and older widows.

I can tell the House that the lump sum payable to all widows will be entirely tax-free, unlike the existing widow's allowance which it will replace.

The Green Paper is intended to carry forward the debate about the sort of social security system which we want in this country. It is a fundamentally important debate. It is a debate about principles, structures and policies. In that debate, the Government's position is clear. We want a simpler system — one which gives better service to the public and directs help most to those most in need. We want a system which is soundly based — now and for the future — and we have set out in the Green Paper our proposals for achieving those ends.

The responsibility to set out policies is not just on us alone. What has been lacking from the debate so far is any clear statement of the policies and principles which the Opposition Parties wish to put forward. Therefore, we look forward to hearing today from the right hon. Gentleman the Leader of the Opposition what his policies are. We welcome also the opportunity that he has to set out the position; for example, whether he endorses the £15 billion spending programme of the hon. Member for Oldham, West, and what his plans are for changing mortgage tax relief. Will he tell us whether he intends to abolish the upper earnings limit for employees? Will he tell us whether his pledge to retain the state earnings-related pension scheme is also a pledge to reintroduce contracting out, or will he instead be looking to put into effect the Labour party's plans for Government direction of pension funds investment? I say to the right hon. Gentleman seriously that those are the questions to which the public and the House will want to know the answers.

The Government's aims are clear. We are seeking a new partnership in social security. We are setting provision by the individual alongside provision by the state. We are looking for a simpler system which is fairer between those in and out of work and which directs more help more effectively to those who need it most. Above all, we are looking for a modern and better managed social security system which is adjusted to the needs of today and able to meet the challenges of the future.

4.59 pm

Mr. Neil Kinnock (Islwyn): I beg to move, to leave out from "House" to the end of the Question, and to add instead thereof:

'whilst seeking to achieve a more just and efficient system of provision and contribution for social security, strongly condemns the proposals made in the Government's Green Paper, Reform of Social Security, which would, if implemented, destroy many of the established and widely supported principles of care for the needy in Britain, bring about substantial reductions in income, security and, therefore, freedom for pensioners, mothers, widows, low income and pensioner home owners and low paid and unemployed families, result in increased means-testing for the poor in order to produce savings in resources for the rich, and force the great majority of workers to pay higher contributions for pensions without providing for the needs of the disabled; and rejects as fraudulent the Government's claim to be undertaking consultations when they refuse to provide proper estimates of payments and contributions resulting from proposals for major and retrograde change which they have never put to the electorate.'.

We have just been treated to the extraordinary spectacle of a Secretary of State in a Government with a huge majority in their second period of office, and with major proposals to put to the House, concentrating much of his speech not upon a defence of his Green Paper but on a series of questions addressed to the next Government. That is a confession of a massive weakness in the Government case, and we look forward to hearing more of that from the Secretary of State. Before we go any further, I should tell the right hon. Gentleman that when the Labour party puts its proposals before the House and the country before and after the next general election, there are two things that we shall not do. I shall not write to right hon. and hon. Members saying, as the Prime Minister did on 20 May 1983,

"nor are there any proposals to change the system."

Nor will I permit my Secretary of State for Social Security to give any undertaking — [*Interruption.*] I know that this embarrasses the Secretary of State greatly. I will not permit my Secretary of State to give any undertakings that, if he should set up any inquiry, it will not call into question the fundamental pension structure that was established by the Social Security Act 1975, to which he was a party. He ratted on that, and he has been twisting all afternoon. It is about par for the course.

The Green Paper on the reform of the social security system calls itself the "most major fundamental" review of the welfare state since William Beveridge's report on social insurance and allied services in 1942. With such a monumental project in hand, it is a shame that we could not depend upon the Prime Minister to present it to the House. I am glad, together with my right hon. and hon. Friends, to demonstrate the great importance that the Labour party attaches to this destructive set of proposals. The Prime Minister is using the Secretary of State as a figleaf, and never was there such an emaciated figleaf.

This fundamental review — the biggest for 43 years, as the Government repeatedly tell us — was never put before the electorate for their assessment. The independent experts recruited to assist in its compilation are deserting the Prime Minister even faster than she is disowning them. If the review is a set of reforms with the benevolent purpose of improving and clarifying the social security system, Sweeney Todd was a medical researcher and the blitz was an exercise in town planning.

The Government tell us that their review and the changes proposed by it have five objectives: resolving the financial issues of future pensions provision; directing resources effectively; clarifying the social security system for claimants; simplifying the administration of the system; and promoting personal independence. At face value, those are noble aspirations, decent intentions and worthy objectives, and we could all support them. But, Mr. Deputy Speaker, by their deeds shall ye know them.

The deeds of the Government stretch like a guilty list through the past six years. Those deeds have resulted in a cut in social security for the disabled, the poor and the unemployed of £9,000 million, at the same time as the

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Government have made awards averaging £2,000 million a year to the richest 5 per cent. in society. Those deeds include a change in the formula for calculating old-age pensions, which means that a pensioner couple are £4 a week worse off than they would have been had the Government sustained the earnings pension link. Those deeds include the removal of housing support, which has increased rents by a record 165 per cent. during the past six years. They include the denial of board and lodging allowances to youngsters, which has turned thousands of them into travelling paupers.

Mr. Roland Boyes (Houghton and Washington): Does my right hon. Friend agree that the Government's proposals will subject jobless and homeless under-26-year-olds to a range of economic, social and psychological pressures with which some of them will be unable to cope, leading to some of them taking up crime, drugs and other symptoms of despair?

Mr. Kinnock: I am sorry to have to say it, but my hon. Friend is right. Many reports have already been received to show that that sort of thing is happening — *[Laughter.]* I hope that the constituents of the hon. Member for Bexhill and Battle (Mr. Wardle) have noted his amusement about the position of many thousands of young unemployed people. Yesterday, I heard of the case of a constituent of my hon. Friend the Member for Livingston (Mr. Cook). A young man who went to Edinburgh in search of work was living on the board and lodging allowance, but was later denied that allowance, so that his income was cut from more than £60 a week to just over £20 a week. The allowance ended on 30 May. He was ejected from his lodgings a week later, and two days later, a young man with no history of instability or suicide attempts, committed suicide. I hope that the hon. Gentleman is still laughing.

I do not say that the consequence for every young person, or for most youngsters, will be to fall into such despair and difficulty. I am saying that a completely unjust system has been inflicted upon those youngsters. That is part of the record of this Government, by whose deeds we know them. Therefore when they protest that they wish to tidy up the welfare state and make it coherent and more direct in its application to needs, I say, "Rubbish." I also say that it is hypocritical rubbish from the Secretary aof State and his hon. Friends.

Mr. Eric Forth (Mid-Worcestershire): Does the right hon. Gentleman agree that a great problem caused by the complexity of the present system is the low take-up rate, whereby many people in real need do not obtain benefits that they deserve? Does he agree that the new proposal, which involves a simplification of the process, must lead to higher take-up rates and to real benefit for those in need?

Mr. Kinnock: Although I applaud the hon. Gentleman's motives, I must tell him that he does not understand the scheme. How can the take-up rate for housing benefit be increased, when the scheme will deny such benefit to 7 million people who presently receive it? The same system of application to the DHSS applies to the family credit scheme as it does to the family income supplement. How will there be an increase in take-up there? If the hon. Gentleman's aspiration is to increase take-up rates, he will be a sadder and wiser man when he investigates the matter. I hope that, after he has considered the proposals properly, he will vote with the Opposition tonight.

Hardly anyone, except perhaps for the more gullible Conservative Back-Bench Members, believes that the Government are innocent of malice or that they have decent intentions with regard to this measure. Not even the Government believe it. They know that the proposals are not for the reform of the welfare state, but for a raid on the welfare of millions of poor people and pensioners. They know that it is not a shake-up of the benefits system, but a shake-out of the most needy and some of the poorest people in society. That is why they are so coy about giving the figures that will enable a proper assessment to be made, not just of the structure but of the practical implications for those who will be at the sharp end of the proposed changes.

The Green Paper is for consultation and public debate, but no participant in the debate and no one who will feel the results of the proposals is entitled to see the figures. The Government are asking all of us in the House and elsewhere to judge a monumental proposal for a huge structural change—as they say—with hardly any costing of the components of the various schemes and without saying who will gain or lose by the changes, or what they will gain or lose. It is not so much a review as a riddle.

Mr. Patrick Nicholls (Teignbridge): Given the concern of the right hon. Gentleman with figures, does that mean that he will be telling the House by how much a Labour Government would increase taxation so as to maintain services, bearing in mind the cost to the Exchequer? If he intends to criticise us for our lack of figures, how much does he intend to raise tax to restore SERPS?

Mr. Kinnock: I am coming to that. In the meantime I hope that the hon. Gentleman will cogitate on why in 1975 his party entirely supported SERPS, why it fought two elections supporting it, and why the Secretary of State said that it was not his intention to change that scheme. Those are the questions that have to be answered. It is the Green Paper bearing the name of the Conservative Secretary of State currently in office that we are debating, and not a Green Paper, White Paper, Queen's Speech or any other proposal from the next Government. At that time, if the hon. Gentleman survives the next general election, I shall be glad to respond to his inquiries.

The excuses for changing the figures have moved with astonishing speed over the past fortnight. On 4 June, when I asked the Prime Minister for dependable estimates, she told me that in accordance with custom we would have to wait for the May retail price index figures. When on 6 June I asked for a reliable indication, the Prime Minister wrote to tell me that we could not have the figures for two years because they would have a spurious precision and might be actively misleading. By last Thursday, 13 June, much had changed. The Prime Minister told us then that they would provide a range of illustrative figures when the White Paper was published in the autumn. It was all very matter-of-fact. Indeed, the Prime Minister was almost eager.

The hon. Member for Suffolk, Coastal (Mr. Gummer), who in addition to his job as Paymaster General is

currently temping as chairman of the Conservative party, went even further. On a radio programme last Friday he was so matter-of-fact that he said the figures were always to be in the White Paper. Yet for nearly a fortnight previously the Prime Minister had been resisting all efforts to get her to acknowledge that.

We know that the Government have the information; we know that the DHSS has the information; we know that even the printers have the information. The only people who cannot have it are the House of Commons and the British public who have to deal with the proposals. When we know that the Government have the information and will not give it to us, we can reach only one conclusion —that to publish now would be bad politically for the Prime Minister and for her Government; therefore, the figures have to be studied by the Government's statistical beauty consultants so that, with the advantage of the passage of time and two upratings in pensions and benefits within eight months, they can start to become politically presentable. That is why the Government will not come clean.

Of course, if I may coin a phrase, we are given a lot of fudge and mudge about the figures not being available. Would it not be extraordinary if, after all the wrangling and toing and froing of Her Majesty's Government, the Cabinet and the Cabinet committees, there were still no figures available?

Mr. Tim Eggar (Enfield, North): In the Green Paper it is stated clearly that the Government estimate that the cost of provision for pensions will quadruple by the year 2033. Does the right hon. Gentleman accept that figure and, if so, how would he finance it?

Mr. Kinnock: I shall come to that in a moment if the hon. Gentleman will bear with me. *[Interruption.]* I insist on making my own speech. The Secretary of State need have no fear; I shall deal with the matter in detail and with delight. Meanwhile, he can give further attention to inventing excuses as to why — proud as he is of his proposals—he still will not give the figures upon which they are based and how many gainers and losers there will be. This makes the right hon. Gentleman restless but I intend to keep on saying it because that is what the people want to know, and they are right to want to know.

The deviousness and the reluctance of the Government to publish figures extend to the review itself. They used William Beveridge as an alibi. On the second page of the Green Paper they quote from paragraph 9 of Beveridge's report in 1942:

> "The State in organising security should not stifle incentive, opportunity, responsibility; in establishing a national minimum, it should leave room and encouragement for voluntary action by each individual to provide more than that minimum for himself and his family."

We all say amen to that. There can scarcely be a right hon. or hon. Member who would not agree with every word of that aspiration.

What the Government do not add is that when William Beveridge wrote that he argued that a genuine system of social security went beyond benefit and pension payments and involved full employment, a free National Health Service and decent housing available to all. When he wrote that in 1942 he was trying to organise the conquest of want, idleness and poverty; eventually he got the consent of all parties in the House of Commons.

No such motive inspires this Government. On the contrary, they are the Government of mass unemployment, not full employment, the Government of cuts and charges in the National Health Service, not of a free National Health Service, and the Government who have presided over the biggest rise in rents, rates and mortgage payments and the lowest number of building starts in the whole of modern history. That is the difference between Beveridge and Fowler. They should not try to perpetrate such a confidence trick on the British people as to quote in aid William Beveridge with his different aims. They cannot use that alibi.

Wherever it is examined, the Green Paper demonstrates that the Government do not have the purpose, the tenacity or the humanity of Beveridge or of anyone who has come since. That is evident from the proposed abolition of the state earnings-related pension scheme. The Government have convinced themselves that in the second quarter of the 21st century the nation will not be able to afford SERPS. The Government's own Social Security Advisory Committee does not think that. It says that there are no firm grounds for coming to that conclusion. That advisory committee is right, because the Government's assumptions, built into their excuse for abolition, are the most perversely pessimistic that can be made.

For instance, the Government assume in their figures that real pay will rise by only 1·5 per cent. per annum on average over the next 50 years, when over the last 40 years it has risen by an average 2 per cent. The Government assume in the figures that they offer us that the basic pension will rise in line with earnings. That might be good news. Are they planning to do that five years after abolishing the link and causing so many problems for pensioner couples? They go on to try to argue both ways because in regard to the future they say that the cost would be unsupportable, but they neglect the record of the past.

The Government say that we cannot afford a 2 per cent. rise in pension contributions over the next 50 years but they neglect the fact that during the past six years the Government have sponsored an increase of 2·5 per cent. in those contributions. Why can we not sustain that level of contribution over 50 years when we have—because of the Government's policies—sustained a greater level of contributions for the past six years?

The Government assume in their figures that the work participation rate will remain constant over the next 50 years. In the past 40 years it has risen by 4·5 per cent. They assume that the number of pensioners will rise. At last, they are right, but they also assume that the economic growth rate will fall. That will occur only if we have a succession of Governments over the next 50 years who are as ruinous as this Government have been.

Dr. Alan Glyn (Windsor and Maidenhead): Does the right hon. Gentleman think that Beveridge realised what the proportion of the working population to the retired population would be? Did he have any idea that the percentage would be so great?

Mr. Kinnock: We can discover Beveridge's figures. I can meanwhile talk about 1985 and the attitude that is consistent with William Beveridge's philosophy. In 50 years' time three workers will be getting the equivalent of six workers' incomes now. Every three workers will earn twice in real terms what is being earned now. Even on the Government's assumptions, that will be the equivalent of

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double what is being earned now. Nobody says that no problems will arise from that, but that does not make it impossible to sustain a proper pension scheme for retired people.

The Government are pessimistic. They have failed to take into account changes in the economy, the increasingly intensive capitalisation of the economy and the higher production which will occur as soon as they are out of office. They assume next to nil growth over the next 50 years. If that were to be the case, we would be worried about pensions, but that worry would be subsumed in our immense anxiety that the country was going out of business. The Government make all those assumptions and come to the conclusion that we cannot afford SERPS. Even if their calculations were correct, their reactions to the calculations would still be wrong. If the nation will have difficulty paying its retired people a decent pension, the situation will be made worse by abolishing SERPS, which is the fairest, most efficient and cost-effective of the pension schemes in the present system.

As a result of the abolition of SERPS, everyone will pay more for their pensions than they pay at present. That is made clear in one of the few facts that is offered to us in the Green Paper. Some 11 million people contracted into SERPS pay 19·4 per cent. in national insurance and pension contributions. That figure will rise to a minimum of 20·5 per cent. The 11 million people contracted out of SERPS, who now pay a minimum of 17·25 per cent. in national insurance and pension contributions, will be required to pay a minimum of 20·25 per cent.

The abolition of SERPS will make pension provision more expensive for everyone currently and in the future. A guarantee of a decent pension is to be torn up by the Government. With their proposals to abolish SERPS, the Government are not facing the future, as they claim. They are betraying the future of millions of people who will have no realistic means of providing themselves with a decent and dependable post-retirement income. That is a betrayal that applies to today's citizens as much as to tomorrow's. The Government are trying to give the impression that they are seeking to direct benefit more effectively. That is their second aspiration.

The Government talk a great deal about targeting and trying to give the impression that they want to mix compassion and prudence, and that they want to offer the country a mixture of provision and genuine pity.

All experience of Toryism, ancient and modern, is that targeting is not inspired by the aim to help those in need. It is a system operated to limited means-tested aid to the most pathetically destitute. That is what the Government mean when they talk about targeting. Whether it is applied to heating allowances, death grant, matenity payments or housing benefit, the targeting system—nothing that the Secretary of State said this afternoon dissuades us from this—exists to deny, to deprive and cheapen, and not to meet genuine needs of our society. It exists to humiliate, not to help. It exists to put shame back into need.

Mr. Richard Tracey (Surbiton): A few moments ago the right hon. Gentleman promised my hon. Friend the Member for Teignbridge (Mr. Nicholls) that he would tell us the rate of taxation that our children would be paying to finance the Labour party's plans for SERPS. Will the right hon. Gentleman now tell us whether it is right, as *The Economist* predicts, that it will be 45p in the pound?

Mr. Kinnock: No, that is not right. *[Interruption.]* Here we have a Government with a majority of 190 asking for the figures. I am not going to give them. The hon. Gentleman had better answer two other questions. First, what contribution rate will be needed to meet social security needs and pensions in 2015 or 2035? Secondly, if he thinks that SERPS must be abolished to lighten the load, how does he think that private pension schemes will pay for the pensions of the next century? Will that be any cheaper? It will be cheaper only as a result of the conscious betrayal of the people by a Tory Government in 1985 because the basic national insurance benefit, which is all that they will have, will be worthless. That is what the hon. Gentleman must accept if he will not face up to the options and the requirements of the future. We shall do that. Let him try to persuade his right hon. Friend to do so, then we shall have more respect for him.

The Government propose what they call "nilcost" reform — the idea that the sums taken from some claimants and beneficiaries can be transferred to others. As the poor will assist the poor, it is an exercise in crumb shuffling. It is a transfer from the near-poor to the near-destitute; from the needy to the wretched. It means depriving those who are barely managing. They are to be robbed, but even the transfer of those resources—which is not guaranteed—will fail to help those in the depths of poverty.

The result of depriving those who are near-poor to help those who are near-destitute will be a huge increase in poverty overall. I shall use the example of housing benefit. Some 7·2 million households, including 4 million pensioner households, will lose some benefit, and some 1·8 million households, including 1·2 million pensioner households, will lose benefit completely. That will deprive those households without giving anything worthwhile to those who are even poorer—conceivably their sons and daughters. That will hammer pensioners with small occupational pensions.

In my constituency, for example, there is a 68-year-old widow. She is an owner-occupier, as so many of my constituents are because Wales has a great many owner-occupiers. She may be in receipt of a pit pension, a British Steel Corporation pension or a works pension of some kind. She will be hit, because she and her husband were prudent, thrifty, earnest and fastidious enough during their working lives to set something aside to provide an extra £10 or £12 a week. The Government now intend to take housing benefit away from that woman.

They will not admit it yet, but Conservative Members know very well that there is poison in the Government's proposals for those people who might currently think, in their thriftiness in retirement, that they are not affected by the Government's proposals and that the Government would not harm them after their lifetime of service and work. Well, they have some sad news coming and the most appropriate people to tell them are Conservative Members. They ought to tell their constituents now what will happen to the 70 to 80 per cent. of them who are getting housing benefit. They should do one of two things — stand up against the Government and stop them undertaking this act of larceny or take cover, because the wrath, when it comes, of those people — the unjustly

deprived—will be mighty and just. It will happen in other spheres—for example with the social fund. The Secretary of State was characteristically evasive when I asked him about it. It is cash limited, but it is as long as a piece of string, or that is what we were given to believe. We shall examine it more closely when we have some figures.

Whatever benefits may be claimed for the social fund or the income support system, simplicity is not one of them. They will introduce a system of eight different classes of benefit in the income support system and a cash limited social fund, presided over by local benefit officers with supplementary training. That will be very good for local benefit officers. How many ways can you say no? Will they need special training to tell people they have run out of the fund or that these people are getting too much pay to qualify for the income support system? Is that what the Government mean by simplification? It does not give simplification or coherence. It gives us a nasty byzantine mess which will snarl up and deprive even more people.

The Government say in the Green Paper that they want to end the Dickensian paper chase. That is a sweet thought. They cannot do that by installing a Dickensian pauper chase which only Mr. Bumble the Beadle and possibly the Secretary of State would be happy with. Family credit will be a nightmare for employers and for those entitled to claim. Employers will need to know the household income of claimants to judge their entitlement. The implications of that in terms of privacy, complexity and administration costs for the employer are huge. The Government, in their family credit proposals, are not decreasing complexity and introducing coherence or simplification, but increasing complexity and passing it on to employers. These days it seems that even chaos must be privatised.

The Government tell us that unemployment is caused by higher wages and, in the same breath, they tell us in the Green Paper that unemployment is caused by higher benefits. Well, it is one thing or the other. They say people cannot get work because wages are too high and that people will not take work because the benefits are too high. It is never the Government's fault. That is what they always tell us. Now, with family credit, they have a new message for the low paid. They are saying, "Take low wages to price yourselves into jobs like good little workers, but do not take wages so low as to entitle you to family credit for, if you do that, you will either not dare to take increases for fear of losing credit or you will be in such problems" — *[Interruption.]* Is the right hon. Gentleman trying to tell me that family credit, subject to a six-monthly review, will not vary according to the level of wages received by the low paid?

Mr. Fowler: No, but I am trying to tell the right hon. Gentleman that it represents a considerable advance on the family income supplement system, and that basing it on net earnings is a substantial step forward. I am sure that the right hon. Gentleman wants people to be better off and to be taking an increase in salary so that they are better off in work than on benefit. Does he not want that?

Mr. Kinnock: I am strongly in favour of that, but perhaps the Secretary of State can answer another question. Does he think that there is no danger of employers in the system further reducing wages, confident that the deficit can be topped up by the taxpayer? I am anxious for a reply. It appears that the right hon. Gentleman does not think that there is any such danger. I must tell him that the sad thing is that, because of the Government's majority, we might have a chance to find out, but I think that my estimation will be nearer to what happens than his.

In the family credit system, there is no extra independence as the Government suggest is the last and the finest of their objectives. It is insulting and dishonest for the Government to suggest that their proposals do anything to increase people's independence. We are being offered "stand on your own feet" Toryism which will give more people the right to live on their own knees. That is the essence of the Green Paper and of the philosophy of the proposals behind it.

The Government can quote Beveridge and say that security should not stifle incentive, opportunity and responsibility in establishing a national minimum, but when the national minimum is so low, so conditional, so inaccessible, so subject to poking and prying and so subject to means testing, it creates permanent insecurity. That is what the poor will be doomed to if we implement the proposals in the Green Paper. When that permanent insecurity exists, there is no incentive to respond to, no opportunity to be taken, no means of exercising responsibility—much as people would like to exercise it. There is only that paralysing, numbing and disabling state of poverty. Conservative Members must be familiar with it. They do constituency work and must meet people who are poor and who are obsessed in every word and action and thought by their poverty. It is inescapable. It surrounds them constantly and dominates their every consideration.

The idea of those people exercising initiative and of their taking an opportunity of fulfilling responsibility is a taunt and a mockery. That affects men and women, but most it affects women because women and children form the majority of the poor, whether they are low-paid mothers with families, widows with or without families, single parents, wives of men who are unemployed, low-paid or part-time workers getting Britain's lowest wages, or single women unemployed. The fact is that those women are the majority of the poor. Under this Government, for the past six years, women and children have come last for aid and first for attack.

Mr. Kenneth Carlisle (Lincoln): Is the right hon. gentleman aware that what drives our constituents to despair is the fact that they simply cannot understand the complexity of the system and that when they get wage increases they are worse off? Those are two aspects of the system which we are trying to cure.

Mr. Kinnock: I am sure that the hon. Gentleman is sincere about his question and that he makes every effort to service his constituents. However, in this Green Paper, none of those needs are met. He had better re-examine what the Secretary of State says and the impetus behind the proposals. It is nothing to do with introducing kindness or tenderness into the welfare state, but it is the product of a Government who have shown such gross incompetence in their conduct of economic affairs that they have increased unemployment by 2 million and increased poverty by 3 million, the results of which are the vast new bills for social security which they must meet. With typical meanness, they have decided to respond not by generating employment, growth and new investment, but by cutting benefits and making the poor poorer.

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The condition of women should concern us all. It is extraordinary that the awful disadvantages have been inflicted upon women in this country, by, to her credit, the first woman Prime Minister, who preaches thrift and prudence as great virtues—we endorse that entirely—and penalises people for exercising those virtues throughout their working lives. She penalises women and deprives them of the very means of being prudent and thrifty, which they want to be.

Mr. Robert McCrindle (Brentwood and Ongar) *rose——*

Mr. Kinnock: I shall accept no more interruptions.

People in such depths of poverty know that, despite their being careful, prudent and fastidious, their income will nevertheless run out after five days of the week, and they will remain poor, not merely next week or the week thereafter, but next month and next year. They remain poor because the right hon. Gentleman who presides over the system has no ambition to use it to release people from poverty.

The poor hate their poverty, and we hate their poverty with them, yet the Government will now make it worse. The Government will worsen their position with the interlocking system of family credit and with cuts in housing benefit and income support. Poor people will be caught in an even bigger snarled-up mess of bureaucracy and means tests. The non-working poor will be disadvantaged by losing benefits and suffering new burdens, and the working poor will suffer from reductions ranging from school milk and school meals to housing benefit and other pass book benefits, which they can claim under the present system.

In this plan, as in every other, the Government will ensure that the burdens are borne by the working population, the poor population, the unemployed population, the pensioner population and the disabled population. That is what they have done in every respect in every Act during the past sad, sour, six years. Their changes will inflict massive disadvantages on many millions of people today and tomorrow. Their policies first impoverish people by denying them work and by inflicting cuts and disadvantages on them through local government fund cuts, health cuts and low pay. When the Government have created that extra poverty, they define the impoverished as a parasitic group who must be afforded only the most reluctant charity. When the Government have turned claimants of right into supplicants for benefits, they pass on their responsibility and put the blame, pressure, power and responsibility on overworked benefit officers, who become the front line between our needy and the British state. That is a poor law philosophy and practice, which demeans both the givers and the takers.

We are fighting and we will continue to fight the Government's defeatism. We shall fight their philosophy and proposals, not because we are complacent about or content with the present system, but because we want greater efficiency, simplicity and accuracy in affording help in the welfare state. In that enterprise our purpose must be to defeat poverty and insecurity, to provide care and opportunity, and not to increase misery and decrease dignity, which will be the direct consequences of the Government's proposed changes. Those aims must be common to the whole House.

The purpose of reforming our system must be to remove all divisions, not create further divisions, to eliminate poverty, not stigmatise it, and to enhance security, not destroy it, which will be the consequences of the Government's proposals. We have widespread support for those objectives of change, with consent and in the name of humanity, justice and opportunity. We have widespread backing in our campaign against these proposals. We shall continue to have support, because the Government's policies will diminish the whole country in that they will divide, impoverish and offend against the decency of the whole country.

Every measure of public opinion demonstrates the strong resilient decency of the British people, and shows that they want to wage war on poverty, not on the poor. The British people demonstrate that they are prepared to pay, not merely for themselves but to help those in need. When that comes from the British people, it is not soft sentimentality, but plain, common, ordinary British decency — the greatest attribute of our society. With their pinched and prejudiced attitude, their meanness and malice, the Government are entirely eccentric to that feeling of decency. We are left with the bile and spite of a Tory Government who are pre-Churchillian in their attitudes. I say to the Government, do not commit further wrongs, get rid of these plans and be British.

5.45 pm

Sir David Price (Eastleigh). Hon. Members will agree with the right hon. Member for Islwyn (Mr. Kinnock) about the need to find consensus for changes in our social security system. Other than in that respect, his speech bore no relation to the Green Paper. It was a pantomime effort and consisted of all the hyperbole that he uses in his more emotional moments.

Unlike the right hon. Gentleman, I congratulate the Government on their courage in introducing these proposals and in trying to face the changes in our society and their effects on our social security system. I congratulate them on their readiness to look deep into the next century. In pension terms, to think 50 years ahead is to deal with the present generation. In political terms, it is thinking at least 12 general elections ahead. Although some people would argue that that is thinking too far ahead, I congratulate my right hon. and hon. Friends on having the courage to think so far ahead. There was a time when the Labour party talked about forward planning, but from the right hon. Gentleman's speech it seems that the only planning that it does is thinking and looking backwards, if not in anger, at least with nostalgia.

The need for a major reform of our social security arrangements is shown in the chilling figures which appear in table 1.2 in volume 2 of the Green Paper, to which my right hon. Friend the Secretary of State referred. I remind the House, not in absolute terms, but in percentage terms, of what my right hon. Friend said. In 50 years' time the number of old-age pensioners will have increased by 42 per cent., and the number of contributors to pay for those pensioners will have decreased by 30 per cent. One does not need to be a senior wrangler in mathematics to realise that that is a major problem. Anyone who ignores that is being wholly irresponsible.

Furthermore — I interrupted my right hon. Friend when he quoted them—those figures are based on the assumption that we shall recover the birth rate, which has been declining during the past 20 years, to what it was in

previous decades. They are also based on assumptions about employment and economic growth which are by no means certain. The figures could be a great deal worse than those quoted. Therefore, my right hon. Friend and hon. Friends are being prudent in trying to face those harsh facts. It would be easy for them to ignore that and merely look to the end of this decade. The Government showed great responsibility by looking so far ahead.

We must never forget that, although we talk about the insurance fund, our retirement pension scheme is not funded, but works on a pay-as-you-go basis. We must always consider how big a burden we are entitled to place on the next generation at work. If the burden is too great, they will kick. Therefore, the Government are right and brave to undertake these massive reviews.

The Government are right to introduce their proposals as a Green Paper. I trust that none of us, above all not the Government, will be dogmatic about the proposals and that they are genuinely open for discussion. I am sorry that the Leader of the Opposition has already made up his mind about the proposals and closed his mind to further discussion. I found them complicated, and they require a great deal of study. I hope that my right hon. Friend the Secretary of State is open to changes in them that will come up during the period of discussion. I ask him; how green is his Green Paper? I hope that it is very green.

The scope of the Green Paper is massive, and I therefore regard this debate as simply the beginning of a long period of inquiry and discussion by us all. In view of the speech of the Leader of the Opposition, perhaps this is a needless and hopeless plea, but I plead for an attempt to find consensus in these matters. The time scale alone requires consensus, because over the next 50 years there will be changes of Government.

The Government's objectives as laid out in the Green Paper are threefold. They are objectives on which I think we can find reasonable consensus. The first objective is that the social security system must be capable of meeting genuine need. I think that we can all agree on that. The second objective is that the social security system must be consistent with the Government's overall objectives in the economy. I know what my right hon. Friend the Secretary of State is after, but I think that it would be more acceptable if it were rephrased to say that the social security system must be consistent with the economic and social stability of the nation. Other parties are entitled to disagree with the overall objectives of the Government of the day. I think that my phraseology would command more general consent.

The third objective is that the social security system must be simpler to understand and easier to administer. My right hon. Friend has pointed out, on numerous occasions, the complexity of the system. There can be no doubt about that. We have to accept a broader approach to the categories of clients for whom we will be providing help and support. It rejects the "fine tuning". I think that that appealed to many of us as a concept. From experience, I think that it is impossible to achieve "fine tuning" that is too sensitive and too selective. The Green Paper supports that view.

I agree with the criticism of the Leader of the Opposition about the absence of numbers in the Green Paper. We ignore at our peril the wise words of the great physicist, the late Lord Kelvin:

"When you can measure what you are speaking of, and express it in numbers, you know that of which you are discoursing. But when you cannot measure it, and express it in numbers, your knowledge is of a very meagre and unsatisfactory kind."

Many right hon. and hon. Members wish to participate in the debate, so I shall briefly draw the attention of the House to only three topics in the Green Paper. The first is the provision for the chronically sick and disabled. I find this disappointing, and the reason is the absence of definite proposals. I know that my hon. Friend the Minister for Social Security is conducting a new survey of the disabled —a new Amelia Harris—and until we have it, it is difficult to proceed much further.

I hope that my right hon. Friend and his Department accept what to me is basic in our approach to the chronically sick and disabled; that is the difference between income support and the help that is given to disabled people, because of their disability, to bring them up to the starting gate in life. Into that category I put benefits such as the mobility allowance and attendance allowance. I believe that they are of an entirely different character from what is done on income support, and I hope that during these debates my hon. Friend the Minister for Social Security——

Mr. Jack Ashley (Stoke-on-Trent, South): When the Secretary of State eventually gives the figures, and if they prove that disabled people will be worse off at the end of the review, will the hon. Gentleman be prepared to vote with the Opposition and against the Government?

Sir David Price: I have no reason to think that it will go that way. I was about to say that one thing that my right hon. Friend the Secretary of State has said in his Green Paper about the chronically sick and disabled is that he intends to bring in the blind more positively than hitherto. Several hon. Members on both sides of the House have been campaigning for quite a long time for an improved position for the blind, so as one of them I am very pleased. In general, therefore, I am hopeful that there will be not a worsening position, but an improved position, for the seriously disabled.

Mr. Frank Field: Can the hon. Gentleman give us an idea of the structure of benefits that we should advocate for the blind?

Sir David Price: I should be delighted to do so, but I am not a Minister; I am not in the Department. We are debating the Government's proposals. I could take up too much of the House's time by describing my own views. I was one of the original supporters of the Disablement Income Group. I should have thought that my general position on the disabled was well known to the House.

Secondly, I should like to refer to the age of retirement. In the last Session of Parliament I produced my own Bill, based on our Select Committee report, to try to make the retirement age equal between men and women, and flexible between 60 and 65. I was delighted to read in the Green Paper that the Government take that idea a stage further and are proposing that it should be made flexible between 60 and 70. That is totally constructive. As far as I am concerned, my right hon. Friend the Secretary of State need not carry consultation on this proposal any further, but should implement the proposal.

Mr. Rooker *rose*——

Mr. George Foulkes (Carrick, Cumnock and Doon Valley) *rose*——

Sir David Price: I should also like to put to my right hon. Friend the thought that he should consider not just full retirement but the problem of semi-retirement. In a civilised society, many people wish to reduce their work burden as they get older. There is something between total retirement and total work. If we are trying to look ahead, we must bring that factor a great deal more into our thinking.

Mr. Rooker *rose*——

Sir David Price: With the growing number of older people in our society, that becomes a great deal more important, and we must think much more imaginatively about what my right hon. Friend the Secretary of State calls a decade of retirement.

Mr. Rooker: Will the hon. Gentleman give way?

Mr. Foulkes: Will the hon. Gentleman give way?

Hon. Members: Give way.

Sir David Price: I do not want to detain the House for longer than I need to.

My third point is about family support. As I read it, the proposals for the family support——

Mr. Foulkes *rose*——

Sir David Price: As I read it, the proposals for family support seem close to ideas which some of us were discussing in the 1972-73 Session in the Select Committee on Tax-Credit. That is why I await with anticipation the Green Paper of my right hon. Friend the Chancellor of the Exchequer on personal income tax. I believe that this is relevant; otherwise these proposals would be only a revamp for the family income supplement. I assume that they are very different. Let me remind the House of what we said in our Select Committee report. I refer in particular to the minority report produced by Lady Castle, in which she said:

"The one field in which there is an overwhelming case for merging tax allowances and social benefits is in the case of children since there is no other equally effective way of preventing the existence of children from plunging a low-paid family into poverty. The proposed merger of child tax allowances, family allowances and FIS into a child endowment payable to all children including the first is therefore in principle wholly desirable."

That is something to work on. I see Opposition Members nodding——

Mr. Field *rose*——

Mr. Rooker *rose*——

Sir David Price: I shall not give way. I would love to carry on the debate, but I am not giving way, for the simple reason that many more Members wish to speak.

Mr. Ray Powell (Ogmore): On a point of order, Mr. Speaker. Is it right within the rules of the House for an hon. Member to refer to the report of a Select Committee? The hon. Gentleman has read from it at some length. Is that in order?

Mr. Speaker: If the Committee has reported to the House, it is in order. If it has not, it is not in order, but I imagine that it has reported.

Sir David Price: The Select Committe reported to the House on 20 June 1973.

Mr. Frank Field: Is there not one point that makes a difference between what the hon. Gentleman is commending to the House and what the Green Paper is commending to the House — the fact that both the majority and minority reports of the Select Committee said that the credit should be paid to the mother rather than to the father, whereas the Green Paper says that it should go to the father?

Sir David Price: These are all matters for debate. I am glad to have the hon. Gentleman's support for my view that we should move towards a tax credit system. A further consideration is when both husband and wife are working. I look forward to my right hon. Friend telling me the Government's view on that. I am sure that the House and the Select Committee will go into that matter in detail. However, I am glad that we have established the principle that the tax credit approach is desirable.

I take seriously your counsel, Mr. Speaker, to be brief. Let us enter into what I believe will be a long debate about the future of our social security system constructively and enthusiastically, and not simply defensively and bitterly.

Several Hon. Members *rose*——

Mr. Speaker: Order. As the House knows, I have been out of the Chamber for a while. When I announced that I would limit speeches between 6 pm and 8 pm, I had not anticipated that the Front Bench spokesmen would take 84 minutes. I therefore propose to revise my judgment and apply the 10-minute limit between 7 pm and 9 pm. I hope that those hon. Members who are called will not abuse that limit.

6.1 pm

Dr. David Owen (Plymouth, Devonport): A review of social security was inevitable and right. But what do we have from this Government? We have a menu without prices and a menu in which the central proposal is half baked—that is, the way in which they have chosen to abolish the state earnings-related pension scheme. It is a menu for which we are now beginning to calculate some of the prices. The poorest households — those with a gross income of £70 a week or less—will be worse off as a result of the changes. Among working families, single-parent families make big gains and there is some redistribution in favour of couples with children generally, which is welcome. But families with high housing costs, whether public or private tenants, will lose housing benefit and will be substantially worse off.

Among pensioners, those on or just above the supplementary benefit level will gain £2·50 a week. Pensioners who own their own houses lose heavily—as much as £3·83 per week. On the whole, the Institute of Fiscal Studies calculates that more than half of all pensioner households will be worse off.

The gainers under the review will be working and non-working families, with children, earning £90 to £150 a week. The losers will be the single unemployed under 25, childless couples in work and pensioners. It is now all too clear why the Government have withheld the figures so far and why they have insisted on a menu without prices. Put simply, it is because 3 million pensioners will be made worse off by the review. That is the larceny, and that is why we charge the Government with stealing from pensioners. That is why, in or out of SERPS, the basic pension element must be increased substantially.

The SDP-Liberal alliance sees considerable merit in a 25 per cent. increase in the basic pension as the consequence of the abolition of SERPS. If SERPS is

abolished, there is no more contracting out, so we could give an increase in basic pension by transferring the amount that is currently being put into the private pension industry through contracting out. I calculate that to be £3·5 billion, which could finance a 20 to 25 per cent. increase in the basic pension. It is a more comprehensive change, but it provides for comprehensive cover. It is also by far the most egalitarian scheme. It means swapping the contracted-out portion of occupational contributions under SERPS for a basic pension rise.

The half-baked portion of the review's menu relates to the privatisation of pensions. Although the Secretary of State has been fair in the terms that he has offered for the phasing out of SERPS, the compulsory private earnings-related pension scheme that he wants to take its place has neither the support of significant sections of the private pension industry—which were not consulted and are showing increasing signs of concern—nor the support of actuaries or accountants who doubt whether a private scheme is any more affordable than the presently structured SERPS that it is meant to replace. It does not have the support of the SDP, the Liberal party or the Labour party, so there is no all-party agreement on the Secretary of State's proposals.

It does not have the support of organisations devoted to the alleviation of poverty. Will the disabled, as Mr. Stewart Lyon fears, be sacrificed on the altar of expediency? In short, the Government's privatisation proposals put pensions back into the very political cauldron from which many of us hoped the inter-party agreement in 1975 had rescued pensions. While the current Secretary of State for Foreign and Commonwealth Affairs was very keen on the proposals; the Secretary of State for Social Services was less keen. That poses a dilemma not only for alliance Members but for everyone in the House who wants radical reform but political stability. We have lived through the period of the Boyd-Carpenter scheme, there was the Crossman scheme, the Joseph scheme and then the Barbara Castle partnership. All credit to Barbara Castle for her readiness to compromise in 1975. What I fear is that we may ditch that scheme and replace it with a Fowler scheme which, too, will be ditched in its turn. The pensioners will be the innocent victims of a party political squabble in which none of us is prepared to make any change in what we think are our most prized objectives.

Pretending that there is no problem over SERPS, as the Labour party does, is, quite frankly, to bury one's head in the sand. *[Interruption.]* If the Leader of the Opposition recognises that there is a problem with the financing of SERPS, we can begin to talk about what should be done. If he is saying that, he must be ready to enter into some form of discussion on how to reduce the cost of SERPS. If he is not prepared to do that—*[Interruption.]* I am prepared to do that. I have made it clear that we want a basic pension. The alliance has recognised the virtue of some degree of stability. We are prepared to look at the cost. Before the Labour party goes to the rescue of SERPS——

Mr. Kinnock: The House should have the benefit of greater detail about what the right hon. Gentleman is proposing. Nine years after heartily endorsing SERPS—together with the actuarial estimates about its installation and continual running—the right hon. Gentleman said recently that he wanted the qualifying period to be extended from 20 to 30 years. That would grossly reduce the effectiveness of the scheme, but that is what he told the pension fund that he spoke to a couple of months ago. He also said that he did not want anyone to be able to claim under the age of 65, including women. He also said that other changes for widows would be desirable. If we are to have a general discussion, it would be worth while for everyone to know about that.

Dr. Owen: The right hon. Gentleman's intemperate speech is now more explicable. I never said anything of the sort. I said that we should keep the 20-year eligibility rule—not the best 20 years, but the average. I did not say that the pension retirement age should be raised to 65 for women; I said that we should follow the Social Services Select Committee's proposals for averaging out, bringing it to between 60 and 65 and having a flexible pension age.

Much more important, if we want to cut the cost of SERPS, we should look at the provision of the three pensions. We should allow the survivor to choose which pension is more favourable to him. Those are three serious proposals to cut the cost of SERPS. If the right hon. Gentleman is prepared to consider them, he should exact a price from the Government for changing the structure of SERPS. He should say that he will not cut the cost of SERPS unless the Government are prepared to trade in, as it were, to make it a more redistributive scheme. The scheme was a compromise in which the then Labour Government were forced to make concessions, as a result of which 50 per cent. of SERPS current costs are now due to inflation-proofing private occupational pension schemes.

The right hon. Gentleman should face the fact that no couple earning less than £6,500 per year benefits financially from SERPS. They get instead a basic pension plus supplementary benefit. It is not a perfect scheme. It could be changed with advantage to make it more redistributive, even at a lower cost. Such a response would make sense.

It would, of course, mean that we should all be giving up a little, but the prize would be great. The prize of all-party agreement would be immense, being stability in pension provision and structure into the next century at a cost the nation could afford, with a fairer and more redistributive system. Do not let anybody tell me that that would not be widely welcomed, including by the private pension industry and by pensioners, who are currently apprehensive about what will happen—*[Interruption.]* We are prepared to compromise. It would mean the Government dropping their scheme of privatised pensions. It would mean the Labour party recognising that there must be changes and a cutting of the cost of SERPS. It would mean us in the alliance giving up our basic wish to have a 20 to 25 per cent. basic pension. But it would be an important and substantial provision, and perhaps only now those in the private pension industry could bring it about. They made the compromises possible in 1975. They, in 1985, could make this House compromise.

We have heard much about Beveridge. For the long term, what would be the approach of a really radical Government? First, they would link benefit reform with tax reforms. The two go hand in hand. A basic benefit would be introduced simplifying and integrating the tax

[Dr. Owen]

and benefit system. Some of what the Secretary of State has done on child credit represents an important step towards a basic benefit, and we welcome that.

Secondly, such a Government would inject new money to float off the individual anomalies and restrictions that are always created by any reform of benefit. That is where this reform falls down; there is no new money and, while it is meant to be neutral, it is savage in its consequences on some individuals. To create that buoyancy for a radical reform of the social security system, we have said for some time that we should be prepared to abolish the married man's tax allowance, adding to any reform package £4·1 billion, which would ensure that the poorest made substantial gains and that nobody suffered harshly or unfairly.

Thirdly, a radical Government would tackle the hidden welfare state, where relief goes to the well-off through preferential tax treatment of the savings of the rich and where payments in kind distort the tax and benefit distribution pattern, company cars being the most obvious example.

Fourthly, a radical Government would expose the mythology surrounding the contributory principle. National insurance contributions are deeply regressive. They do not fund benefits. They are part of the Chancellor's overall tax take. The Conservatives have raised national insurance from 6·5 to 9 per cent. from 1979 to 1984, raising three times as much through national insurance contributions as they have lost through much vaunted reductions in income tax.

The combined effect of the present tax and benefit separation is that a couple earning £8,000, living in a council house and without an occupational pension scheme pay 26 per cent. of total earnings in tax. On the other hand, a couple earning £24,000—that is, three times as much — with a £25,000 mortgage and contributing 6 per cent., which is about average, to an occupational pension scheme pay 24 per cent. of total income in tax, 2 per cent. less. Such are the distortions of the system, and many hon. Members in all parties believe it is high time that it was reformed.

National insurance takes a far greater proportion of the income of the lower paid because national insurance has a threshold which starts lower, on £34·50, than with tax; employees pay a contribution, once over the threshold, based on all of their earnings, not on that portion that is above the threshold, as with tax; and there is a ceiling to the contributions, unlike for tax, beyond which the better-off pay nothing. It is time that we looked into that.

The course of true radicalism would be to abolish in time national insurance contributions both for employees and for employers and to abolish the rating system and introduce a progressive and simple personal tax structure based on three separate identifiable elements—income tax, social security tax and local taxes. A new corporate tax—perhaps a cash flow tax—would be needed to replace both the employers' national insurance contribution and non-domestic rates.

What we have is no Beveridge. It is, in many senses, a miserable reform package. It has within it the ingredients of some excellent ideas, but it lacks the financial buoyancy to make it a great reform. It also lacks that sense of trying to bring the nation together which is unfortunately the hallmark of this Government's divisive policies. If only the Prime Minister would listen to the voices and treat this consultation period as a genuine period of consultation and say that she is willing to pay a price for stability in pension provision into the next century. That would be the modern equivalent of Beveridge—a great Liberal reformer—and it is no accident that it is to such a broad programme that the alliance is committed.

6.16 pm

Mr. Ralph Howell (Norfolk, North): I wish at the outset to congratulate the Government on those parts of the Green Paper with which I agree. I congratulate them on their courage and foresight in tackling the problem of SERPS. That was indeed a courageous step and they have my fullest support in tackling what is a grave problem confronting the nation.

The Government were also right to have initiated major reviews, although they should have included the taxation system, as the right hon. Member for Plymouth, Devonport (Dr. Owen) pointed out. More has come out of the reviews than I had expected. Although what we have is not a new Beveridge, it could be an important stepping stone towards the new Beveridge that we must have at the earliest opportunity.

I welcome the proposed changes for the under-25s. It is high time that we put a stop to some of the nonsense that has been going on, with young people leaving home and being able to obtain benefit too easily. That has been a major factor in discouraging young people from working. Even worse, it has destroyed the authority of the family. Reform of that aspect of the system is long overdue, and I welcome the steps that are being taken.

That said, there are other aspects on which I am not so keen. I am particularly disappointed that there is not to be a radical change in the system of child benefit. It no longer makes sense to give a universal child benefit to everybody, including the most wealthy. It should be means-tested. Any family with an income of more than £120 a week pays more in income tax and national insurance than it receives in child benefit and housing allowance.

It is ridiculous for us to be imposing heavy taxation with one hand and giving benefits with the other. Taxation could be cut by £3 billion if we had the courage to face up to means-testing child benefit. Nobody who needed it would suffer and it would be a logical step to take. We tax the very poor—for example, widows and pensioners—to give tax-free money to the richest, the highest taxpayers, and that must be wrong.

Mr. Frank Field: The hon. Gentleman is ignoring one point about which he normally informs the House. Child benefit has two roles — first, the benefit that he is describing, and, secondly, the tax role. How can the hon. Gentleman put forward an argument along the lines he has described unless he says also that other personal tax allowances should be abolished at the same time as child benefit is abolished? Unless the hon. Gentleman does that, he is shifting the burden of taxation from those with children to single people.

Mr. Howell: I agree that some tax allowance should be incorporated in the new system.

This brings me to another criticism. We are proposing to extend social security in the form of family credit to those in work to solve the problem of making it worth while to work. This is the wrong way to proceed. We are

suggesting that we shall repeat the mistakes that were made in 1970 or 1973 when we extended housing benefit to the private sector. We must find a means of reducing the extent of social security. Between 20 million and 22 million people — nearly half the population — are receiving benefits. I think that everyone will agree that it is intolerable that more than half the population are receiving benefits.

My criticism is that we have not combined this review with an overall review that includes taxation. There is no logic in this proposal, nor can it be successful. The graphs in the Green Paper are meaningless because they do not take account of the impact of income tax at 30 per cent., or whatever the percentage will be in two years' time. The graphs cannot be smooth because the poverty trap will be seen when the impact of taxation is imposed on them.

I urge my right hon. Friend the Secretary of State to consider holding back the review until we have the Green Paper on taxation. We should then combine the findings of that Green Paper and the ensuing White Paper in an overall White Paper that takes account not only of welfare and taxation but of our employment systems.

We have heard a lot about the Beveridge report. This Green Paper has been portrayed as a new Beveridge report. Neither my right hon. Friend the Secretary of State nor the Leader of the Opposition mentioned what Beveridge said about unemployment. We have never put the Beveridge report fully into operation. Therefore, we are in this appalling position. We still have not found a clear way out of our difficulties. It is as though we are in a similar position to a case reported a few weeks ago in the press. A lady was driving up the motorway with only three wheels on her car and sparks were coming out as the axle hit the highway. I do not want to go too far along the road of that analogy. Suffice it to say that the Beveridge coach has had only three wheels—the fourth was never put into position.

Beveridge said that, after a certain period, people would become dependent upon benefits and would become comfortable living on them. He said that paid work or training must be offered to the long-term unemployed in place of benefit. I believe that that can and should be done. We have come a long way with community programmes and other schemes. Why not have a comprehensive, as-of-right community programme? We would then be able to make considerable savings. If every adult were offered work at £80 per week, or £2 per hour, and unemployed 16-year-olds were paid, say, £40 a week, the 17-year-olds £50 a week, and so on, the entire cost would be less than £11·5 billion. Not all the unemployed would turn up for work — many would not wish to work the full 40 hours—and the probable cost of offering every one of the long-term unemployed the right to a job would probably be no more than £7 billion. We are spending between £15 billion and £20 billion on unemployment benefit and measures to solve the unemployment problem. Considerable tax cuts could then be made to get the Government off the backs of all those who are working and creating wealth. If this suggestion were seriously examined, I believe that we would find a way of raising tax thresholds — hon. Members on both sides of the House recognise that this must be done — and disengaging benefits from taxation.

No person should pay tax and receive benefit at the same time. Those with high incomes should pay tax and those with insufficient incomes should receive benefits. There should be an incentive area where a considerable number of people in the middle neither receive benefit nor pay tax. Until we have such a comprehensive review, we shall never get out of our difficulties.

6.26 pm

Mr. Hugh Brown (Glasgow, Provan): It is a privilege to participate in this debate, which has been excellent so far. There have been some original ideas, even from the hon. Member for Norfolk, North (Mr. Howell). I hope that I shall maintain that standard.

I begin by referring to some qualifications to enable one to contribute to the debate. I should refer to the type of constituency that I represent. Half of my constituency is officially described as a deprived area. A report published last week referred to my region in these terms:

> "Male unemployment of 40 per cent. and much higher in some neighbourhoods;
>
> Overcrowding at seven times the national rate;
>
> Three in four households without a car—twice the national level; and
>
> Almost one in 20 infants dying before their first birthday—five times the national rate."

That shows some of my qualifications to contribute to this debate.

The local DHSS office in my constituency is one of the largest in the country, with a staff of more than 200 and a live load of 14,500 supplementary benefit cases, 7,000 of them unemployed. There are 27,000 claims for single payments a year, 2,000 of which are either disallowed or are the subject of appeal. About 4,000 people receive direct fuel payments. That is another reason why I think that I can highlight some of the problems concerning social security.

Another qualification for participating in this debate is one's personal experience. I know that I am getting old. I can even remember when the Beveridge report was introduced. I have been a member of the parliamentary Labour party's health and social security group since becoming a Member. I have had the unique distinction of spending 15 years in a local DHSS office. I think that I am in a better position than most to appreciate the words of my right hon. Friend the Member for Islwyn (Mr. Kinnock). The result is that the service to the public too often fails as the staff hunt for files in a Dickensian paper chase. Anybody who has worked in such an office will know the truth of that statement.

There have been changes during the 40 years since Beveridge was introduced in a wartime atmosphere of full employment. It is sad that the only countries that enjoy full employment are either Communist or Fascist or democracies during periods of war. No hon. Member can suggest convincingly that we have all the solutions and that society can be transformed overnight by abolishing unemployment. Nevertheless, we should examine present conditions and those that prevailed at the time that Beveridge reported.

There were hopes then of a better life. Peoples' aspirations had not been so tainted by the poverty and depression caused by unemployment during the 1930s as is apparent now. It is tragic that, although 4 million people are unemployed, there is no outcry. Even the attitude of the Left wing of the Labour movement was different then; it was fashionable to be against Beveridge because it was

[Mr. Hugh Brown]

thought that to support reform would help to bolster capitalism. Thank goodness that the Left wing of the Labour party has learnt a wee bit during the past 40 years.

Mr. Jeremy Corbyn (Islington, North): But not much.

Mr. Brown: My hon. Friend the Member for Islington, North (Mr. Corbyn) says that we have not learnt much. However, I am a pragmatist. If I am properly to represent my constituents, there is merit in looking at the way in which we can help the disadvantaged. The Labour party's manifesto for the general election in 1983 contains certain points upon which we can all agree. On a fairer benefit system the manifesto said, "We shall reform it." It then said:

> "Forty years have elapsed since the Beveridge Report which led to the setting up of the National Insurance scheme by the post-war Labour Government. We shall conduct a thorough review of the scheme in the light of today's circumstances."

All hon. Members agree that the system needs to be reviewed and reformed.

That does not take us very far, but it provides a background for the next point upon which I hope that there can be agreement—the need for simplicity. There is no hon. Member who is not completely baffled by the complexity of the system. I used to be able to say what the rate of benefit would be and that a constituent would qualify if he had made various contributions, but when a constituent comes to see me now, I sometimes have no idea what kind of benefit he is talking about, so many of them are available. It is desirable that any system should be made as simple as possible. Computers would provide better assistance for overworked and sorely tried staff who are trying to provide this service.

All hon. Members are in favour of the general principle, but how can it be implemented? I am a practical man. My constituents do not like waffle, rhetoric and speeches from me. They want to know whether they will be better off under the new system than they are at the moment. What is the answer? I am sure that the Secretary of State could not provide them with an answer to their question. He would have to say that it would depend upon this and that and it would depend upon the level of benefits and personal circumstances.

The Secretary of State knows that single payments are an important part of the income of very many people. If all the single payments are to be absorbed into a universal rate, it must be set at a much higher level than is contemplated. That is the dilemma that will face any Government. They will have to try to find resources with which to apply a sound principle that is accepted by most people. Will the Secretary of State be able to provide further information? I am unable to tell my constituents whether they will be better off, or whether this is just a sham and a public expenditure exercise that is designed to save money. I do not think that it is, but there is an element of doubt about it. The Secretary of State knows that he is stuck with a review that has been badly costed. It is not very encouraging to have to begin a review of anything in that way.

It is said that income support will be simple to administer, but it is surrounded by practical problems. Premiums will be paid to different client groups. We shall need to know into which group a constituent fits. The payment will then be topped up with a certain premium, but we do not know what it will be; and if the premium is not sufficient the social fund will be used. The Secretary of State was asked about the size of the social fund budget.

There is merit in local benefit officers being given discretion to provide a top up, but that is very difficult to comprehend after more than 40 years of an adjudication and appeals procedure. There will be no appeals machinery against the new system and no scrutiny. I do not complain about the officers who serve my area. They are co-operative and thoughtful, but a great responsibility will be placed upon their shoulders.

The Secretary of State said that we should not build up a great deal of case history. There is merit in that suggestion. Commissioners' decisions are getting out of hand. An expert is needed to advise upon what another expert said about something one did not understand in the first place. How is humanity to be built into the system? Is my constituency to be treated in the same way as those of Conservative Members who know very little about the way of life of my constituents? Will the machinery allow my constituents to get more out of the system than the constituents of other hon. Members? Who will make the judgment? What will be the criteria? Shall I, as a Member of Parliament, be consulted? Will the community groups in the area be consulted?

I should warn the Secretary of State that now there are welfare rights officers. Welfare rights organisations are to be found throughout the country, and a decision that is favourable to one of my constituents in Provan is soon communicated to other people throughout the country. We are almost back to where we began in trying to consider the universality of benefits and rights and the tremendous increase in resources that will have to be devoted to this part of the social security system.

I have not referred to housing benefits, savings on pensions or many other matters that my hon. Friends will be raising. I have simply raised some of the practical problems facing any Government in this one aspect of one part of the social security system, but I say this with some conviction. The priority should not be tax concessions for the wealthy. That would be obscene in view of the contrasting life styles and opportunity to enjoy life in society today.

It would be quite wrong and it would not be tolerated if any Government proceeded with a cost-saving exercise designed purely to hand out more to the wealthy. I believe that a Labour Government could distribute wealth more fairly and better than ever before. The challenge is whether we can create more wealth. I am not complacent. This is a huge, complex problem. It will take a great deal of guts and ability to solve it, but I believe that we can do it.

6.41 pm

Mr. Tim Eggar (Enfield, North): The hon. Member for Glasgow, Provan (Mr. Brown) will forgive me if I do not follow the observations that he made, but one cannot but respect his experience and sense of perspective.

The structure and objectives of the Government's proposals have been widely accepted outside the House, even if the debate so far has not given that impression. I especially welcome the assistance given to working families and the emphasis on simplification of the system.

I do not believe that the Government would have achieved that widespread acceptance outside the House if my right hon. Friend the Secretary of State had not had the courage to go to open consultation. In my view, it is no

coincidence that the proposals which have created the most controversy—those regarding the state earnings-related pension scheme — were the least discussed and publicised. I hope that lessons will be drawn for other areas of Government from the success of the consultation process instituted by my right hon. Friend.

In today's debate and throughout the discussions since publication of the review documents, a great deal of fuss has been made about the lack of figures. Yet when the Leader of the Opposition was asked today to comment on certain figures relating to SERPS 30 years on he deliberately refused to comment or to explain how the real increase in the cost of pensions would be met. In other words, having figures to discuss did not raise the level of the debate. I am convinced that my right hon. Friend the Secretary of State was right to ask us to concentrate on the structure before discussing the details. Had we been given the details, we should have had the fragmented discussion that we had in the consultation phase when each pressure groupb pleaded for its own section of the community.

Mr. Peter Griffiths (Portsmouth, North): I do not often interrupt, but does my hon. Friend agree that if we are to have a Green Paper which does not contain detailed figures there must be adequate time between publication of the White Paper and the introduction of legislation to implement it?

Mr. Eggar: My hon. Friend anticipates my next point. If my right hon. Friend the Secretary of State and the Treasury wish us to concentrate on the structure at this stage, as I believe is right, they should not jump to any conclusions about the willingness of Conservative Members to accept particular levels of benefit. That discussion will come later and follows logically from the position that we have taken so far.

I have one major reservation about the proposals. I, too, should have welcomed more progress towards integration of the tax, national insurance and benefit systems. As was pointed out at Question Time today, there has been some movement in that direction with employers' payment of family benefit and the alignment of the pension and tax years. They are definite steps forward. I am surprised that my right hon. Friend the Secretary of State and my right hon. Friend the Chancellor of the Exchequer have gone out of their way to stress the importance of the contributory principle, because their measures actually move away from that principle. I hope, therefore, that after publication of the Green Paper on personal taxation they will make a clear and unequivocal commitment to work towards integration of benefits and taxation. I believe that that would be welcomed in all parts of the House.

I am tempted to make various detailed comments, but I shall restrict myself to three areas. First, I believe that Conservative Members and the public in general accept that everyone in the community should make some contribution to the provision of local services. We must, however, look very carefully at how the level of that contribution is implemented. I believe that a sudden increase to a 20 per cent. contribution to the rates bill would bear unduly harshly on many people, whether they have frugal or high-spending local authorities. I do not believe that the problem can be circumvented by means of the income support system. I believe that the contribution should be phased in over a period of years rather than increased it to 20 per cent. at one gulp.

Secondly, there is the suggestion that we are moving towards a decade of retirement and a flexible retirement age. I welcome that unequivocally, but I hope that there will be a very speedy response to that proposal from the occupational pension funds. Many of them are significantly overfunded and this is a major opportunity for them to work with the state to produce an incentive for people to retire in their early 60s. I hope that my right hon. Friend the Secretary of State for Employment will play a catalytic role in this context.

Thirdly, there is the impact of the reviews on DHSS staff and their method of operation. In 10 years' time, local offices will bear no resemblance whatever to those that we know today. In addition to technical change, the advent of the social fund, which I certainly support, will demand a level of skill, responsibility, discretion and decision-taking from local benefit officers far exceeding that which they are called upon to exercise today. The first priority of the new social security management board must therefore be to institute major training programmes and to develop further the proposals already introduced in the Department towards devolving budgeting and decision-taking to regional offices and from there down to local offices.

Mr. Jim Craigen (Glasgow, Maryhill): Will the hon. Gentleman give way?

Mr. Eggar: I would rather not, if the hon. Gentleman will forgive me, because the time is short.

We all know that these proposals involve major change — change which is long overdue and is certainly welcome to nearly all of us on the Conservative Benches. The proposals are a challenge to Ministers, which they have so far risen to and met extremely well. But I suspect that there are choppy waters ahead as we come to discuss the detailed levels of benefits.

The proposals are a challenge to the Department as well, because it will be called upon to make a major management and philosophical change in the way that it operates. The permanent Civil Service officials within the Department have a duty to show all of us in society that they have the ability to manage that change. That is a significant challenge.

The proposals are a challenge also to all of us in the House. We must have the courage to face some political criticism now in order to avoid placing a burden on future generations. That is not an easy thing to do as politicians. That will also be a challenge in the coming months, as we have to take a broad view of the benefits to society as a whole of these proposals, rather than the benefits or disbenefits to certain particular sectional interests, which I am sure will be championed very effectively by many of the claimants' unions and others.

I believe that my right hon. Friend's proposals should command the support of the House tonight.

6.51 pm

Mr. Jack Ashley (Stoke on Trent, South): The hon. Member for Enfield, North (Mr. Eggar) is obviously living in cloud-cuckoo-land. He says that these proposals have been widely accepted outside the House. Could anyone believe that? I have never heard a sillier comment in any debate for years. These proposals have aroused a sense of outrage among ordinary people, because they are going to damage ordinary people. When hon. Members speak

[Mr. Jack Ashley]

about "outside the House" they should not be speaking just of stockbrokers and other well-off people outside the House; they should be speaking also of disabled people. People I have spoken to, and other ordinary people, are outraged by these proposals.

It has also been said that these are courageous proposals. They are not so much courageous as callous, because they will damage poor people very much indeed. And of all the destructive actions in these Green Paper proposals the worst is the abolition of SERPS—the state earnings-related pension scheme.

The Government cynically suggest that the simple substitution of private pensions will solve all problems. Of course, they live in a very different world from the millions of poor and disabled people who were relying on SERPS for a decent old age. The prosperous people with friendly bank managers and accountants and all the accoutrements of wealth and a comfortable middle age will have no difficulty in fixing up nice cosy pensions; there will be no problem for people like that. But the poor people and the disabled people will not know who to turn to.

The Government are to give free rein to the fly boys. Many pension companies will not bother looking at poor people; they will not want to know disabled people with small incomes; they will reject them and provide nothing. And the clever fly-by-night pension schemers will come back. We shall find people operating just as they operate with encyclopaedias and double glazing. The smooth talk will go on and ordinary people will be flummoxed and will not know what to do. They will be out-talked and out-manoeuvred by the crafty boys, and they will suffer very much indeed. Their pensions will be either non-existent or very low. It will be the "Fowler's Folly" pension line for the poor and the disabled.

The ending of SERPS is a disaster for disabled people because SERPS, unlike private pension schemes, gives flexibility and allows help for the less fortunate. In particular, state earnings-related pensions are based on the best 20 years of earnings, and that makes all the difference between poverty levels and an adequate pension.

Disabled people are also very worried about what will happen to the earnings-related element of invalidity benefits when SERPS goes. The little bit of security that this gives disabled people is threatened by the bland comment in the Green Paper:

"The Government is giving further consideration to the implications of the new arrangements for invalidity benefits."

They can say that again. I hope that it will be very careful consideration.

Three quarters of disabled people rely on supplementary benefit in their effort to get a decent standing of living. They face very heavy additional costs, and supplementary benefit is of crucial importance to them. The proposal to end the supplementary benefit additional payments and replace them by a disablement premium sounds fine when Ministers stand at that Dispatch Box, but I warn the Government that this premium will have to be a very generous one indeed. We do not want any piffling token gesture by the Government, because if they do not make a very generous payment, severely disabled people are going to be in what the hon. Member for Enfield, North called "choppy waters"—a good phrase for the plight of someone with no money, no pension and unable to buy food even. "Choppy waters," the Government will say, "that is what you are in."

Disabled people will require about a 30 per cent. supplement to their income provided by the special premium. That is necessary. Anything less than 30 per cent. given by the Government in that special premium would mean serious hardship for disabled people.

The supplementary benefits extra payments, although means-tested, were made available by right and each one could be claimed if it could be justified. They are a tolerable way of meeting individual needs until we get a proper disability income. The proposed system of just one premium will falter at that fence and will actually fall, I think, at the other fences.

I also note that the Minister has pledged full protection only in cash terms and at the point of transition. In other words, that is a loss leader. What happens when the disabled people get past the shop window? What commitment is there—I should like an answer to this at the end of the debate, if possible—on real value and for the longer term?

I have no doubt that many disabled people will find the extra costs of disability far higher than one disability premium. Few non-disabled people quite appreciate what extra costs mean. Disabled people require extra heating because they cannot move and are confined to wheelchairs; they require extra food for special diets; they require extra clothing because of heavy wear; they require extra bedding if they suffer from incontinence. All those extra costs are the responsibility of society, and society is represented by the Government. The Government really ought to meet those special needs in their new system. The indications are that the premium will be grossly inadequate.

Finally, there is no mention in the Green Paper of those who care for disabled people. They are very important. I do not mean the paid professionals but the friends and relatives and people like that who go along to the homes of disabled people and help out. There must be some special provision for those carers because without them, the Government's bill for looking after disabled people in institutions would be enormous. The Minister might be able to calculate what sort of bill he would have to pay if the carers backed off. They do not do so. They help disabled people because they want to.

I have kept well within my 10 minutes, and I should be congratulated for that. I hope that the Government will do far more for disabled people than they are doing. They should talk to the organisations for the disabled, which have well-briefed, expert individuals. They will help out and give him all the facts and figures, and disabled people will give their experience. If that is taken into account, then, and only then, shall we have a proper Green Paper for disabled people.

7.1 pm

Mr. Robert McCrindle (Brentwood and Ongar): There is much in the Green Paper of which I strongly approve. Some parts of it require clarification and one or two approaches are flawed. To start by accentuating the positive, the Government are to be congratulated on recognising the disincentive effects of what has been called the unemployment trap. The promise in the Green Paper that we shall be moving towards a situation in which it will be impossible for anyone out of work to have a

larger income than anybody in work is a move in the right direction that should be welcomed by both sides of the House.

The family credit scheme is broader in its application than the family income supplement. It is an effective bridge between the incomes of those in and those out of work. The fact that we are moving towards a system whereby employers will be responsible for payment, which will be carried out through the wage packet, is a move in the right direction, as is the consideration of the net income after tax as the trigger for payment rather than what has been the case in the past.

Still accentuating the positive, I turn my attention to the income support scheme, which is to replace supplementary benefits. Here, the aim is to provide a reasonable level of help and then let people manage their own financial affairs. I noted from Labour Members a tendency to expect not only high benefits, which we understand, but a nannying approach to people as though to imply that, because one is on social benefit, one is incapable of looking after one's own finances. That is not a proper approach, and the income support scheme aims in the direction of the removal of that approach.

Under the scheme there will be welcome additional help for particular groups. Among those groups are families with children, the long-term sick and disabled and lone parents. That commends a scheme which I sometimes think, while I listen to Labour Members, they must have overlooked.

Another part of the Green Paper that I warmly welcome is that relating to the proposed changes in capital and earnings rules. I warmly welcome the idea that there is to be a sliding scale up to £6,000 before benefit is discontinued. The sharp cut-off is a disincentive for thrift, and this party, of all parties, should never be on the side of penalising those who seek to make some preparation for their old age or misfortune.

The proposal that people will be able to earn up to £15 a week before unemployment benefit is effective, subject to two years unemployment, is a step in the right direction. If I were to press my right hon. Friend the Secretary of State at all, it would be in the direction of considering whether the same approach is not possible after one year. After all, for most people, one year is still long-term unemployment. Will he give some thought to that?

I warmly welcome two changes in the Green Paper—those in the maternity grant and the death grant. I have long considered that the £25 maternity grant is not even capable of purchasing a decent cot. It is not required and not appreciated by a vast number of people, but some require a great deal more. To be moving in that direction earns my commendation.

The same applies to the death grant. The £30 death grant is an insult to many people, while it is cruel and inadequate to some who need vastly greater help. The fact that the Government are to concentrate assistance on those areas where it is needed will ensure that anything up to 10 times the £30 is payable when it is needed.

I warmly welcome the idea of the social fund, but I am a little concerned about the fact that it is to be cash limited. By all means, let there be some intimation in the Budget as to how far we can go in that regard, but if it is to meet emergencies there is a possibility of an overspill in finance. Will my hon. Friend the Under-Secretary tell us whether something can be done to bring a greater sense of assurance to those who will obtain their benefits in future from the social fund?

There is no question but that housing benefit has been difficult to administer and not always understood. Therefore, simplification has been needed and reform is overdue. However, to move from six tapers to one can lead only to a loss of part or all of the benefit for people who are by no means well off. Has my hon. Friend considered the fact that those with a small occupational pension, and in particular widows of those with a small occupational pension, could be affected by this change?

Furthermore, if we are to commend the idea of occupational pension schemes in one part of the Green Paper, it may not be altogether wise to penalise in another part those who moved into occupational pension schemes some years ago. I appeal to the Government to keep an open mind on housing benefit reform and to see whether there is some way to cushion the movement from housing benefit.

I am quite well disposed to the idea of expecting people to become involved in a contribution to local rates. However, I wonder whether it is wise to contemplate moving to a system in 1986 in which all will have to contribute to local rates when, in 1988, if one is to accept the direction in which I think the Government are moving, there may no longer be rates to contribute to. Is there not a better way than introducing a system only to wind it up fairly shortly afterwards?

I have a long connection with the pensions business, and I believe that there is great merit in taking pensions out of politics. I should regret any move in the other direction. However, I must pay some attention to the Government's suggestion that we shall not be able to afford SERPS in the early part of the next century. While I do not deny the burden, I wonder whether it is entirely fair of the Government to base their estimates as to whether we can afford SERPS in the early part of the next century on predictions that seem to allow for no growth in the economy. While there may be a burden, the Government seem to have gone out of their way to accentuate it, and if there is even the smallest growth in the economy I suggest that, although it will be difficult, it will not be impossible to meet.

On balance, I should have preferred to opt not for the abrogation of SERPS but for simplification and amendment. I see no reason why we should not turn our attention to an adaptation of the benefits to reflect average pay over 20 years rather than the best 20 years of a person's working life.

However, I have to accept that the proposals before us are a great deal more acceptable than those that we thought might emerge before the publication of the Green Paper. On balance, I am prepared to accept that we shall move in that direction. I am prepared to welcome warmly the opportunity that this provides for the private pension sector, but I warn the House that this will provide only a panacea.

It is not often noted that the payments that are required under SERPS will not produce the same benefits under a private scheme. In part, this is due to the administrative costs of a private scheme and in part to the fact that index linking can be brought about only if there is sufficient Government index-linked stock. Nobody has referred to this. So that we can estimate the comparative benefits under SERPS and under a private pension scheme, perhaps

[Mr. Robert McCrindle]

the Minister when he responds will pay some attention to whether the Chancellor of the Exchequer is likely in the new situation to issue sufficient index-linked stock to enable some form of index linking to continue in the development of personal pensions, which, broadly speaking, I very much welcome.

Although, this presents a great opportunity to the financial community, I think it also places a considerable responsibility upon it. I will be watching as the months go by with growing interest to see whether the Government will expect the private pensions world to be rather cautious in the estimates it makes of the pensions which are likely to be received. I shall have to leave the matter there and expand on it on a future occasion.

7.10 pm

Mr. Frank Field (Birkenhead): I hope that the hon. Member for Brentwood and Ongar (Mr. McCrindle) will forgive me if I do not directly refer to all the points that he raised. I will, I hope, touch on a few before I have finished. I aim to speak well within the 10 minutes.

Much has been made in this and previous debates about the lack of figures. The Government assure us that what we are considering is the structure of the scheme and that it is unimportant to have the figures to consider whether the structure is right. That is similar to someone in the medical profession saying that he can easily and effectively undertake X-rays without barium meals, yet we all know that it is the barium meal in the X-ray which points out the dangers, the weaknesses and the points of pressure. Without those figures, the Government know perfectly well that we cannot sensibly discuss the structure which they are putting forward, and discuss with them what we see as the scheme's weaknesses and dangers.

Even though the Government have hidden the figures from us, it is clear that one group will be singled out for special treatment. That one group is receiving this treatment because of the Government's concern to increase incentives to work. Without the figures, we know already that the under-25s who are unemployed are less likely to receive more benefit under the review than they now receive. In addition, we have to consider the Government's proposals to cut board and lodging allowances.

I begin my short contribution with a plea to the Government to look back to the measure introduced by the Labour Government of 1966 to 1970. It was very similar to the measure which the Government have now introduced, and was called the four-week rule. If there has been one move in the whole social security field since the war which I would dub as evil, it is that one measure. For reasons similar to those given by the present Government in putting forward this reform, the then Government became concerned about the length of time that young people were remaining on benefit, and cut benefit to four weeks for young claimants in certain areas. About 160,000 young people lost benefit.

Thanks to the work that Molly Meacher did, we now know what happened to many of those people. We know that half of them who were denied benefit did not find the jobs which the then Government said existed and were waiting for them to pick up, but had to resort to male prostitution and crime. Therefore, I put it to the Government that, whereas they are right and have the support of the House in their attempt to control the abuse of some, perhaps many, landlords under the scheme, they are wrong in aiming those measures at young single claimants. I fear that many such young claimants will end up in the same position as many of the young claimants under a similar measure introduced by the Labour Government of 1966 to 1970.

In the absence of figures for the scheme, I want to consider the objectives which the Government say the scheme will fulfil and to ascertain whether those objectives are fulfilled. If one reads the Green Paper carefully, one sees that there are four in all. First, the Government say that help will be targeted on those who are most poor. Without figures, it is difficult to respond to that. We know overall that those who are most likely to be poor are women and children, yet throughout the Green Paper there are a series of measures which transfer resources from poorer women and give them to poorer men.

Let me give the Secretary of State a few examples. Under the family credit there will be a system which moves from the family income supplement, which is mainly drawn by the mother, to a situation in which, for reasons which the Secretary of State has explained and which carry weight in the House, the benefit will be transferred to most men. That is one of the transfers from men to women.

We also know that, with the abolition of SERPS, the widow's additional component will be lost. With the abolition of SERPS, we know that women generally stand to lose in another way. I believe that there are considerable faults with SERPS, and I was pleased that my right hon. Friend the Leader of the Opposition did not say today that we will re-enact SERPS when we win the next election. I think that that is a welcome non-pledge. One of the advantages of SERPS, however, is that it takes account of the fact that most women spend a great deal of time outside the labour force bringing up children and should not be disadvantaged when it comes to drawing a pension. But in the abolition plans women will lose. SERPS favoured lower-paid workers as against higher-paid workers. As most women are low-paid workers, this is yet another blow to women.

How can the Government say that this measure will target on those in greatest need? We know that it is women more than men who are poorer in society, yet in this reform women will be significantly disadvantaged by this move.

The second objective which the Government have set themselves is to simplify the social security system. Once the social fund has come into operation and questions are asked in the House about its operation, I wonder whether the Government will continue to maintan that that has been an effective simplification. Thanks to pressure from the Government's own Back Benchers, we now know that SERPS is to be phased out over a long period. Can one really say that that phasing out over a long period will add to the simplification? Given the solution which the Government have come up with, thanks again to pressure from their own Back Benchers and beyond, a number of us may well have three pensions on which to draw to make up one basic pension. Is that the simplification of the scheme at which the Government are aiming? Lastly with regard to simplification, the new family credit is to be run by employers. We all know the difficulties that will occur with take-up in a scheme run by employers. The

calculations will continue to be done by social security officers and they will be referred to employers. Where is the simplification in that measure?

Thirdly, we are told in the Green Paper that the scheme, once enacted, will increase incentives to work and will lessen the poverty trap. Both sides of the House should welcome any moves which achieve that end, but are the Government really telling us that the proposals which they are putting forward will add more weight to the incentives to work than, say, tax levels or wage levels? The Government's plans will ensure a reduction in the 100 per cent. marginal rate of tax which some claimants face to a situation where many more claimants face a marginal tax rate in the 90 to 100 per cent. bracket. Will that make a major difference to the real problem which many of our constituents face with regard to incentives to work—a problem with which I believe the Opposition have yet fully to grapple?

Lastly, we are told in the Green Paper that the aim is to reduce state help. Twenty or 30 years hence, will we be able to say that that objective has been achieved? The Secretary of State knows that the only measure on the statute book which will lessen the number of those who end up drawing poverty relief from the Supplementary Benefits Commission is SERPS. That is the only measure which in time is likely to break the link between poverty and old age, and that will be abolished by these measures if they go through. In its place is a proposal to fund part of the pension scheme from the private sector, yet nobody from the private sector has come forward to state that the level of contributions put at 4 per cent. will give a pension which will be inflation-proofed at a decent enough level to break the link between old age and poverty — a problem from which most of the population in the past have suffered in this country.

These, then, are the four objectives which the Government have set themselves and which I believe will not be fulfilled. If I am to achieve my objective of finishing within 10 minutes, I had better sit down now.

7.19 pm

Mr. Andrew Bowden (Brighton, Kemptown): I pay tribute to the Secretary of State, his team and all those involved in the immense amount of work that has been done in producing the Green Paper. We live in a very different world from Beveridge. In the late 1940s, the single pension was £1·30 and the married pension was £2·10. However, the Green Paper leaves many unanswered questions, and I believe that it has some serious flaws.

The only comment that I wish to make on SERPS is that if my right hon. Friend the Secretary of State wishes his scheme to remain in place for many years, he must, as the right hon. Member for Plymouth Devonport (Dr. Owen) said, look for broad, all-party agreement. If he does not obtain that, as the political history of the past 40 years has shown, his scheme will be scrapped and replaced by another. That would not be in the best interests of future pensioners.

I shall concentrate my remarks on housing benefit and housing subsidies. When one considers the history of housing subsidies, one understands that it was logical to reduce the general subsidies that used to exist, to change the system for rent and rate rebates and to provide a safety net for poorer tenants. In those days, the schemes were financed by the Department of the Environment. It is worth reminding the House that there have been tremendous savings in that Department's budget since 1979—at least approaching £1·5 billion. However, my poor right hon. Friend the Secretary of State for Social Services has had to pick up the bill in his budget. I wonder whether, considering the overall figures, that position was sufficiently taken into account by the Treasury. I doubt it.

Assuming that the Government are thinking about reducing housing benefit by about £500 million, I must say that, on the basis of one taper for rent and for rates, the proposals are unjust, severe and even callous. They will create real hardship for many pensioners. I cannot believe that the Government intend to hit 4 million pensioners, many of whom have had three cuts in their housing benefit during the past 18 months. I estimate that 1·2 million will lose benefit altogether, and that nearly 3 million will lose between £1·40 and £5 a week. I base those figures on the information presently available, but I trust that events and time will alter that position.

Let us consider a pensioner on a far-from-high income, remembering that we are talking about the joint comprehensive taper for rent and rates. A pensioner couple living in their own home with an income of £75 a week and paying rates of £9 a week will, as I interpret the proposals, lose no less than £4.70 a week. The proposals will hit many pensioners who worked for their occupational pensions, which are not inflation-proofed, on an unreasonable scale.

Another proposal in the Green Paper that disturbs me greatly is the intention to abolish the discretion given to local authorities. That would hit war pensioners and war widows especially hard. Do the Government really intend that some war pensioners will lose up to £10 a week? That is what their proposals, as presently interpreted, would mean.

I shall make two specific suggestions. First, the Government should consider separate rent and rate tapers. Instead of a composite 70 per cent., they should consider 20 per cent. for rates and 50 per cent. for rent. That would be fairer and workable. Secondly, local discretion must not be abolished. The Secretary of State said earlier today when he presented his uprating statement that the Government will help those most in need. That is right, but I remind him that there are also those to whom the nation owes a debt and those who through no fault of their own have had the purchasing value of their savings and occupational pensions largely destroyed.

I ask my right hon. Friend to think again about housing benefit. He must not penalise war pensioners and those whose occupational pensions have been destroyed by the policies of previous Governments.

7.25 pm

Mr. Brynmor John (Pontypridd): First, I should say that a consultation period which started at six weeks and which has now wound its way up to three months is a derisory period for a Green Paper of this importance. It shows what some Conservative Members still do not realise—that the Government have made up their mind on this matter, and that there will be no significant, as opposed to cosmetic, changes. The Government's approach to the matter is an attack on consensus.

I wish to concentrate my speech on SERPS. I hope that I can base my argument on the affordability of the present system and on the burden, but one of the problems in this matter is the value of the words "the Prime Minister". This

[Mr. Brynmor John]

is not the first time that rumours of what is proposed have surfaced. They surfaced before the 1983 general election, and I wrote to the Prime Minister—I gave her notice that I would raise this matter today—asking her for reassurance that she would support the SERPS scheme as it was then constituted. On 20 May 1983, she replied:

"Nor are there any plans to change the earnings-related component of the state penson. The 1975 Act was in fact brought on to the Statute Book with the full support of Conservative Members."

The Government have gone back on that clear and unambiguous pledge. We must examine the reasons for that with some care. First, perhaps the Conservative party was considering those changes before the Prime Minister wrote the letter, but she did not choose to disclose it. That would be a very serious matter for the country and for the House. Secondly, to return to what the Secretary of State said earlier, perhaps something happened after the general election and the Prime Minister's letter to change the Government's mind—something so radical and startling that the viability of the scheme changed. The Secretary of State said that one reason was the availability of the 1981 census figures. It is interesting to note that Conservative Members, who are now calling for a return to concensus, do not remember that at no time since the census figures were available has the Secretary of State tried to discuss with other parties the difficulties that would be caused. Indeed, until just before the publication of the Green Paper, much more condign remedies were being mentioned.

The true reason for the change cannot have been the population assumptions. First, if his hagiographers are to be believed, in 1975 the Secretary of State warned about the affordability of the scheme in the long term and pointed out the ratio of retired to working people. Indeed, we knew then all the major assumptions of those who were in work to those who were retired. As the Secretary of State said, the retired population can be calculated, but what cannot be calculated, because someone born during this debate will be 50 years old before we reach the point of maximum strain on the insurance system, is what the working population will be.

The other factor to be taken into account in whether it is affordable is the relationship not with prices, as the right hon. Gentleman seems to pretend in his Green Paper, but between the rates of contribution and the cost to the retired population. It is precisely there that the right hon. Gentleman, who is so reticent in other regards, gives two figures, both of which are misleading.

First, he relates the cost of the scheme to prices and not to earnings, and for good measure throws in a spurious earnings link that the Government have no intention of restoring. Secondly, he assumes for the future a rise in real earnings of 1·5 per cent. per annum. The average annual rise over the last 35 years has been 2·1 per cent. per annum. The difference between the assumption of the Government and the historical figure makes a great deal of difference to the contribution.

Let us examine both points. The present class 1 contribution in respect of pensions in 1984-85 is 12·5 per cent. On the assumption that 1·5 per cent. is the real growth, the percentage contribution in 2025 will have gone up from 12·5 per cent. to 14·7 per cent.—hardly a scheme-busting rise. If we assume a 2 per cent. growth rate in real wages over the next 40 years, the class 1 contribution will rise by only 0·6 per cent. to 13·1 per cent.

Are my figures wrong? Do the Government challenge those calculations, or do they say that the increase will be such that future generations cannot afford it? The people who will lose on SERPS are fairly charted. Those who are forced into private pension schemes will not get anything like the same retirement pension as people in SERPS. They will get a 4 per cent. money purchase scheme. One can never hope to reproduce the same level of benefit with such a scheme, nor can there be any certainty in the scheme because a money purchase scheme is the product of how well or how badly the fund performs. People who need certainty in planning their retirement will never know what their income will be.

My hon. Friend the Member for Birkenhead (Mr. Field) talked about the way in which women will be affected disproportionately. But people in occupational pension schemes will also be adversely affected. They will have to pay towards national insurance 3·5 per cent. more than the 13 per cent. they are already paying, without any rise in benefit. They will no longer have inflation proofing of their guaranteed minimum pension after retirement. They will lose the benchmark for their scheme, that it must be at least as good as SERPS to be contracted out. Therefore, all comparability will be lost.

Most of all, there will be a strong temptation for employers to wind up schemes or to worsen the terms for existing contributors or for new entrants. Therefore, the whole pensionable population is threatened by the Government's proposal. Any Government, faced by that, would pause for thought. We know that the Government are doing this on ideological grounds and with the connivance, not of the pension funds, which have behaved honourably, but of some life assurance companies whose greed has known no bounds and whose selfishness to get a piece of the action is becoming an obscene feature of modern development.

When we obtained a consensus in 1975 it was a monument to the work of the late Brian O'Malley. His search for a consensus was much more honest, open and painstaking than that of the Secretary of State in his so-called consultation. The work of Brian O'Malley should not be in vain. We should resurrect this scheme, which would be a monument to his memory.

7.34 pm

Mr. Roger Gale (Thanet, North): May I first take up a point made by the hon. Member for Birkenhead (Mr. Field) about board and lodging payments? He and the Leader of the Opposition sought to give the impression that the reduction in board and lodging allowance for young people could lead again to male prostitution and crime. The Leader of the Opposition quite disgracefully sought to imply that that measure had somehow led to the suicide of an unfortunate young man in Edinburgh. My suspicion is that the right hon. Gentleman does not know the full circumstances of that case. Certainly he should not have used it.

Those who in the past have encouraged young people to move away from their homes into big cities, where there is neither accommodation nor often work available, are culpable, and not the Minister of State who has in a courageous measure sought to get to grips with the problem. It is also wrong to suggest that there are no

alternatives available to young people. My hon. Friend the Minister of State spelt out in a parliamentary answer only last week the alternatives. Funding under the non-householder allowance is available to young people and it is pitched at a level that is designed specifically to ensure that young people can still be accommodated in what used to be known as digs. It is more desirable that a young person should be accommodated in a family unit—not necessarily his own—than in the sort of field kitchens that some disreputable hotel proprietors have been operating recently.

The prospect of good hostel accommodation is also available to people in the 18 to 25 age bracket. So is accommodation in the private rented sector with support from housing benefit, if that is necessary. Those options are available and are all more attractive than the enticing young people away from their home areas to big cities. The impression that we are creating a nation of gypsies and compelling young people to move is wrong.

The hon. Member for Birkenhead is not lacking in courage—and never has been—in supporting a good idea when he sees it. When my hon. Friend the Member for Norfolk, North (Mr. Howell) expressed his belief, which I endorse entirely, that the introduction of a full programme of community work for the long-term unemployed offered the only real prospect of a long-term solution to some of our difficulties, I noted that the hon. Member for Birkenhead was nodding. I should like to take that a stage further, because it is important that the House recognises the implication in that kind of proposal. It is a consideration we should undertake. We must terminate unemployment benefit after one year and move to such a scheme, but the one is dependent on the other. Whether the hon. Member for Birkenhead is still nodding, I am not sure.

Mr. Frank Field: The point with which I was agreeing was Beveridge's point that the payment of benefit should be linked to a genuine search for a job. That is something we need to put back on the agenda and which we have moved away from in the last 20 years with the establishment of jobcentres and so on.

Mr. Gale: With respect, my impression is that the measures introduced by my hon. Friend the Minister of State to curb the payment of supplementary benefit willy-nilly were designed to do exactly that.

There are three points that I wish to cover briefly in connection with the Green Paper. First, in regard to support with rates, I endorse entirely my right hon. Friend's suggestion that we should go back to a system of accountability. It is wrong that people should be encouraged to vote, with no responsibility for the manner in which the money they are voting is spent.

The Green Paper contains a proposal—I hope that it is only for discussion—that a maximum of 80 per cent. rate support be provided while the ratepayer pays the remaining 20 per cent. That would give the ratepayer some responsibility. I suggested to my right hon. Friend that, following a review of the domestic rating system, there should be a scheme of nationally agreed rates. The amount would be paid in full by the Government for those receiving benefit. If the recipients of that benefit voted for a local authority and persuaded it to fix a rate which was lower than the national scale, they would not receive a bonus. If, however, they chose to vote for local government expenditure above the nationally fixed level, they would have to pay the extra. A level of responsibility would therefore be fixed. It is an alternative to the proposal that my right hon. Friend outlined this afternoon, and I believe that it is worthy of consideration.

I agree entirely with my hon. Friend the Member for Brentwood and Ongar (Mr. McCrindle) that the timing of the introduction of any such proposal is vital. I agree with him that it is ludicrous to consider introducing a benefit change and then to change the entire rating system and confuse the issue still further. The two measures should be introduced in tandem.

I wish to deal with disablement allowances. The Green Paper states that an in-depth survey on the needs of the disabled is being conducted. I hope that the result will provide an opportunity to consolidate the many and varied benefits that are available to the disabled and enable us to exercise the true Conservative principle of allowing disabled people, like everyone else, to choose how they spend their money. The social fund will not be an answer to that problem. A social fund will not work if it is cash limited.

Several Hon. Members *rose*——

Mr. Gale: The enthusiasm of hon. Members is overwhelming. I said that I wished to make three points, and I believe that I have a couple of minutes left.

I notice that the discussion document says that the basic national insurance pension will remain unchanged. I believe that that unfortunately is a missed opportunity. The review provides the Government with an opportunity to introduce a basic pension that caters for living, transport and leisure needs. It will involve expenditure and we then have to decide how it will be funded. I agree with the right hon. Member for Plymouth, Devonport (Dr. Owen) that, as the contracted-out system was to be ended, a sum of money could be released for the retirement pension.

The Green Paper mentions the building up of additional benefits on the basic pension. It is wrong for some profligate councils to give transport passes to people who patently do not need them. The passes are given away by Socialist-controlled authorities, and lie unused in drawers, at a cost to the ratepayer. It is wrong that some pensioners should receive a 5p television licence because they live in one type of property, while others have to pay the full cost because they live in their own houses.

We must introduce a basic pension that understands and recognises the three needs of elderly people—living, transport and leisure. There is no reason why one person should be compelled to have a free television licence when he or she may not own a television and may prefer to use the money to go to the opera. I hope that those matters will be considered during the consultation process.

I welcome the proposals contained in what I believe is a far-sighted overview. The decisions taken now will ensure that our grandchildren will not be left with a legacy of bankruptcy, and they will meet the immediate requirements of those in genuine need.

7.44 pm

Mr. D. E. Thomas (Meirionnydd Nant Conwy): In 1966, national assistance was rechristened supplementary benefit. It appears that we shall be going through the same exercise in 1986. We shall rechristen supplementary benefit income support, and there will be a discretionary social fund.

[Mr. D. E. Thomas]

It is clear that the reality of a means test is not changed for those people dependent upon such benefits. It is significant that the most important aspect of the supplementary benefit system is scarcely discussed in the Green Paper.

If we compare the Tory Government's 1980 reforms with the present proposals, we can see that the take-up issue figured in the 1980 objectives with the Government's desire for a simpler system, while the present reforms aim for clarity.

It is clear that the issue of take-up is now less important than fitting the social security system into the Government's overall public expenditure policies. It is important to remember that the latest estimates show that 30 per cent. of those people eligible for supplementary benefit do not claim it. That amounts to more than 1·25 million people. Between £760 million and £800 million of benefit is unclaimed. The so-called reforms contained in the present proposals will not tackle the crucial issue of take-up.

The change from supplementary benefit to an income support system wth premiums is unlikely, as the hon. Member for Thanet, North (Mr. Gale) said, to make a real change in the income levels of the beneficiaries.

The Green Paper contains theory but no facts. It is literacy without numeracy. Although the proposals for a premium for pensioners, the long-term sick, the disabled and families appear to provide a broad structure of support, that will not be the result. The structure will not change the income of those people dependent upon the scheme because of the level set for the benefits and the items that will be excluded from the income support. Those items will be swallowed by the catch-all social fund, which is to be cash limited, as the hon. Member for Thanet, North said.

Some anomalies are thrown up by the Green Paper. Premiums relate to client groups and not to regions. Water rates as a proportion of household expenditure are an important issue for Wales. They will be left out of the income support system. It is proposed to abolish the weekly additions. Some people receive as much as £20 in weekly additions. Those people will have to look to the social fund.

The new social fund will become a propping-up device, a new safety net and a catch-all for many people in need. The Green Paper proposes that we move from the appeals and accountability which have been a traditional and democratic part of the way in which clients have been treated under the social security system to a system which provides expert advice on budgeting.

The social fund, with its four elements of community care needs, which can be described as short-term, maternity and funeral expenses, budgeting arrangements and financial crises, will be a fund to which people will increasingly have to turn because of the low level of basic income support. It will not be possible to administer the fund coherently throughout the United Kingdom because of its being cash limited and because of the failure of accountability of the system between local offices.

We are all aware of the amount of pressure on local DHSS office staff. It would be difficult to get accurate information about how the social fund operated throughout the United Kingdom. It is unacceptable that the urgent needs payments of the present system should be absorbed into the social fund and be determined by some budgetary expert.

I should like to consider a matter that worries members of and workers in social services departments. No doubt a link between the administration of the social fund locally, and the work of social services departments' section 1 money, and the work of voluntary bodies will emerge from the review of personal social services. We must ask what kind of local poor law institution the Government are reviving and consider how the family credit scheme is proposed as an alternative to family income supplement, with its 13-week proof of earnings and 26-week period of credit payment.

What will happen to the 27,000 family income supplement claimants who are self-employed? How will administration through employers work? We must consider the low-wage sector in which the scheme is supposed to operate and remember the Government's other proposals which attack the wage rates and living standards of low-paid people such as the abolition of wages councils.

If we consider how benefit will be paid, it is clearly a form of sexual discrimination as, unlike family income supplement, family credit will be paid mainly to the male breadwinner through the employer. What will happen if child benefit goes the same way?

I am also worried about the withdrawal of entitlement to free school meals. The Government have been unable to say that the value of those meals will be made up in the level of replacement benefit. This is the Government who undermined the nutritional standards of school kids by doing away with the minimum requirements for school meals imposed on local education authorities. This is another attack on living standards.

The Green Paper is a further attack on the basis of the welfare state system. Two great Welsh Members of Parliament established the British national insurance system—Lloyd George and James Griffiths. In 1935, the Welsh people rose up in a mass demonstration against real cuts in unemployment benefit. I warn the House that, if the Government push these proposals through, there will be a similar uprising next year.

7.53 pm

Mr. David Heathcoat-Amory (Wells): I congratulate my right hon. Friend and his colleagues on the Green Paper. On the whole, it is well written and an honest attempt to redirect the system, which is obviously and demonstrably failing in several important respects.

The final product is a good deal more impressive than the manner of its birth. The leaks and counter-leaks earlier in the year were unedifying. It is always disappointing when it is clear that newspaper editors are better informed than hon. Members about Government thinking. That is the past, however, and the pension proposals of the Green Paper are persuasive.

Much has been made of the fact that the predictions in the Green Paper are open to question. They are estimates, as they must always be, because who can predict future growth rates, birth rates, death rates and the rest? That is another reason for not guaranteeing high and inflation-proof pensions well into the next century, regardless of how the economy performs in the intervening years.

If the predictions and assumptions in the Green Paper turn out to be pessimistic, it will be open to future Governments to increase the basic pension. As I represent

a great many old-age pensioners, I hope that it will be possible in time to release more resources to them. That is a better mechanism than locking ourselves into SERPS now, which would be impossible to disentangle.

I ask alliance spokesmen to make their attitude to pension increases clear now. In the debate on the elderly on 6 June it seemed to be Liberal policy to increase the basic pension now. If that were done, taxes and national insurance contributions would have to rise, and that would accentuate the poverty traps which we all agree are an unacceptable feature of the present system.

Under assumptions in the Green Paper, even if the basic pension is maintained in real terms, the cost overall will increase by about 40 per cent. in the next 50 years. If it is alliance policy to promise to increase the basic pension some time in the future, will it not therefore pass on to the next generation a similar and unsupportable obligation on basic pensions instead of SERPS? I hope that alliance spokesmen will address themselves to that and give us some figures. They have been critical of the lack of figures in the Green Paper, so we should have some from them.

As for housing benefit, I should like to re-emphasise the importance of every householder making some contribution towards the rates. I hope that we continue to use rates as a means of financing at any rate the non-educational expenditure of local authorities. If that is to be done, the rating system must be reformed and the rate base must be broadened.

The Green Paper proposes that everyone should pay at least 20 per cent. of the rates. My hon. Friend the Member for Thanet, North (Mr. Gale) had an ingenious formula, but I would prefer everybody on full housing benefit to receive a basic lump sum and only 50 per cent. of any excess, leaving the other 50 per cent. to be paid for by the householder. For about the same expenditure, that would give people a more lively interest in what happens to their rates and whether they are increased.

My more serious and fundamental criticism of the Green Paper is that it is timid and misses an opportunity. This might be our last chance fully to integrate the tax and social security systems. The Green Paper says rather coyly that the matter will be discussed further in a future Green Paper on personal taxation, which is to be published later in the year. That is not good enough, and I am not bought off by the assurance that the two systems will be co-ordinated better in future.

Once again we are being drawn into discussing two separate systems in isolation when we should be discussing the future of one integrated system. The moves towards simplification in the Green Paper are in the right direction and ought to be welcomed, although any move towards simplification must entail an element of rough justice.

The present system attempts to deal with individuals case by case. It is supposed to put the money where it is needed, but we know that the system does not work. There is plenty of evidence to show that people who do not deserve money are getting it, whereas others who need it do not receive it. Anyone who has seen the supplementary rules will know what I am talking about. The regulations are longer than the Bible, and not as well written. It is not enough to streamline and prune the regulations. At the end of the day what matters is whether an individual receives money from the state or pays money to the state. The income tax system is as much a part of that as the social security system.

The family credit system outlined in the Green Paper is on the right lines. It is based on logical principles and will be paid through the wage packet or salary cheque. I do not find it a serious objection that family credit will be received by the family breadwinner, and not always by the mother. I know that that worries Opposition Members, but the distribution of money within a family is a matter for husband and wife, not the state. It is a clumsy way of enforcing the redistribution of money from husband to wife, to tax the husband, churn the money through the Inland Revenue, the Treasury, the Department of Health and Social Security and the Post Office, and to pay it into a mother's purse.

Having set out what I regard as the right payment system, the Green Paper reform stops halfway. The DHSS will still administer family credit. As this is a structural review, that is a structure which should be altered. The tax system provides the best way of assessing eligibility for benefits because information is already held there. A tax return or an income tax coding is a means test. When Opposition Members refer to means tests, it is as though they are talking about a Victorian rite, and a way of stopping Oliver Twist from getting his bowl of soup, yet when they fill out a tax return, they are undergoing a means test. That information could and should be used to determine whether an individual is eligible for benefit, either in cash or through tax relief. Instead, the Green Paper regrettably proposes that we should continue with two separate systems, even if better co-ordinated.

The most striking mistake, which is a consequence of that failure, is that we are to continue with child benefit as an indiscriminate subsidy to rich and poor alike. The cost of child benefit this year is more than £4 billion, which is more than the housing budget. Why should wealthy mothers continue to receive what to them is mere pocket money? They pay for it through the taxes and then receive it after it has been churned around the system. The Green Paper fudges that issue. Child benefit in its present form must be abolished or merged with family credit, or has child benefit become one of those well-loved anomalies of British life, to which the Chancellor of the Exchquer referred in his Budget statement? If so, it is expensive and equivalent to 4p on the standard rate of income tax.

Child benefit and family benefits should be assessed and administered by one system, using one source of information, making one benefit calculation and leading to one payment. We should have a spectrum that extends from cash benefits being paid to the badly off, through tax reliefs to those who pay tax, to nothing for those whose income is above a certain level.

Mr. Deputy Speaker (Mr. Harold Walker): Order. The hon. Gentleman should have concluded his speech.

8.4 pm

Mr. Robert N. Wareing (Liverpool, West Derby): When I heard the Secretary of State introducing his Green Paper, I said that it was a kick in the teeth for disabled people. The Secretary of State expressed his dislike at what I had to say and waved in front of me the prospect of the special premium rate for the disabled. On further study of the so-called reform of social security, I am convinced that the sum result of the review for disabled people will be to undermine their already low standard of living. They will be under attack in three ways.

[Mr. Robert N. Wareing]

Disabled people will come under attack in terms of additional payments of supplementary benefit, the abolition of the state earnings-related pension scheme and the reduction in housing benefit. The most severe of those attacks is probably the proposal to sweep away the legal entitlement of disabled people to the vital additional payments which they now receive as of right. Because of the absence of a comprehensive disability income and the inadequacy of existing invalidity pensions, disabled people are forced on to supplementary benefit. Although that may be deplorable, under the present supplementary benefit system additional payments are available to meet special needs.

I endorse what my right hon. Friend the Member for Stoke-on-Trent, South (Mr. Ashley) said about the special needs of disabled people for extra heating. People who are confined to a wheelchair or to bed require a special allowance for heating. In many cases the chronically sick and disabled require a special diet, for which there is no concession, and allowances, which are at present on offer from the Department of Health and Social Security. Many of them are incontinent and require money to cover the extra costs of laundry services. Many people rely on their families, but those without a family gathered around them require the assistance of a domestic help.

In 1982, 62 per cent. of all claimants received an additional allowance, and 87 per cent. received £7 or more a week. The Disablement Income Group has shown that in many cases—this is well documented—20 to 30 per cent. of benefits are paid out in additional allowances. In many cases the amounts are between £15 and £20 a week. The general secretary of DIG, Pauline Thompson, stated that if the proposed special premium, of which the Secretary of State seems so proud, is to be paid to disabled people, it will have to be at least £16 a week above the present £57·10 a week supplementary benefit level for a couple, if they are not to suffer a loss of income.

So far, as in many other cases in the review, the Secretary of State has produced no figures. Disabled people are entitled to know what they will receive. I challenge the Secretary of State to tell us whether the figure of £16 that DIG mentioned will be met under the special premium, which is to maintain the standard of living of disabled people.

In 1982, 1·5 million people claimed single payments averaging £54 a week. Those payments are to be swept away. Some 3·5 million claimed weekly additional allowances — that is, 90 per cent. of supplementary pensioners. Those allowances are to be swept away. The abolition of additional allowances is all to save a relatively measly £670 million. The aim of the exercise is cost-cutting, not cost-effectiveness.

What are the Government's proposals on payments for domestic help, which is so often required by those who are sick and handicapped? The allowance for a live-in domestic help can now reach £44·90 a week. What is to happen to that under this proposal? How is the special premium to take that into account? We want more details and figures to explain that. When my party returns to power after the next election—that becomes more of a certainty because of the proposals that we are now discussing—I hope that we shall endorse a comprehensive disability income for all disabled people. Disabled people, who are often disabled all their lives, should not be catered for merely by a supplementary benefit system or a special premium income support system that is thought sufficient for those whose needs may be temporary because they are unemployed, or for some other reason.

The abolition of SERPS will hit disabled people; 800,000 disabled people who are on invalidity benefit cannot buy into private pension schemes. How ludicrous it is that they should be faced with the prospect of appealing to a private insurance company. Is it not known that insurance companies regard the chronically sick as bad risks? What is in it for them after the year 2000? If the proposal becomes law, young disabled people have the dismal prospect, not of a welfare state, but of a workhouse state in the very near future.

Of the 800,000 disabled people who are on invalidity benefit, only 120,000 are in receipt of supplementary benefit, so many of the remainder are dependent on housing benefit. Many disabled people who work are often in low-paid jobs. For them, housing benefit is crucial, but under the proposed scheme no one will get a 100 per cent. rate rebate; 20 per cent. of rates will have to be paid by everybody. That is indeed a redistribution of income, but it is not a redistribution from the rich to the poor; it is a redistribution from one section of the poor to another. Far from likening the system to Beveridge, one could liken it to Scrooge when he said, "Are there no workhouses?"

There is no doubt that under this Government disabled people have lost on several occasions. This is not the first. They lost when the supplementary benefit scheme was simplified in 1980. They lost when the available scale margin was extended to heating allowances and increased at the same time from 50p to £1. In many cases they lost when the severe disablement allowance was introduced to take the place of the non-contributory invalidity pension. They lost when optical services were withdrawn from the National Health Service.

Those who advise the Government are not the people who are now writing to us to advise us against their policies. They are not the disability organisations, not those who will inundate us with correspondence in the near future. I hope that those people will not only push at the open doors of Opposition Members, but will inundate Tory Members, particularly the one-term Members whose stay in the House is now probably limited to a year or two.

The Conservatives should be challenged on the cash limits for the social fund. Under this Government, there are cash limits for the social fund to aid poor and disabled people, but there are no cash limits when it comes to Trident or satisfying the greed of the NATO generals. I would never discredit the Government by saying that they have failed, because I have said on previous occasions in other debates that they intend to recreate the old Victorian society, and to keep the poor, disabled and handicapped in their place.

Therefore, there is not much consolation in the Green Paper for anybody who is in want. There is not much consolation beyond the fact that the measures will bring about the inevitable demise of this Tory Government. The Green Paper is probably the last nail in the Tory Government's coffin. I believe that more and more people will come to understand——

Mr. Peter Griffiths: On a point of order, Mr. Deputy Speaker. Am I not right in believing that Mr. Speaker changed the time for 10-minute speeches from 6 pm until

8 pm to 7 pm until 9 pm? If so, the hon. Member for Liverpool, West Derby (Mr. Wareing) is out of order in continuing his speech.

Mr. Deputy Speaker Sir Paul Dean: I am grateful to the hon. Gentleman. I had not realised that. In that case, the hon. Member for Liverpool, West Derby, (Mr. Wareing) must finish his speech with one more sentence.

Mr. Wareing: I am sorry, Mr. Deputy Speaker. I do not think that I have had 10 minutes.

The one sentence is this. I hope that there might just be enough Tories with guts tonight to go into the Division Lobby with us in advance of the letters that they will receive, which will tell them what ordinary people think of the way in which they are being treated compared with the Tories' rich friends in the stockbroker belt who will benefit from the massive reductions in taxes which they have been promised but which the Chancellor of the Exchequer is finding it difficult to deliver.

8.16 pm

Mr. Roy Galley (Halifax): It is a pity that the Labour party has decided to debunk the whole of the Green Paper in advance of reading it. Labour Members wrote their scripts in advance of the Green Paper coming out, and now they have decided to debunk it. In doing so, they are in great danger of throwing out several healthy babies with what they regard as rather murky bath water.

There is one point which I should like to urge on my right hon. Friend the Secretary of State, and which has been made strongly. We should have some indicative figures earlier that November. I say that not because I regard that as sound management. It is obviously sound that we should discuss principles, consult and then establish rates. However, I am concerned that the hysterical reaction of the Left that we are seeing in the debate and in the country will cause considerable mischief primarily for the most vulnerable and needy in our society, who will be needlessly frightened by the exaggerated tales that are already coming from the Opposition. I beg my right hon. Friend to take that factor into account when he issues the figures.

Opposition Members claim to care about the vulnerable in our society, but in fact they regard them simply as pawns in their power game. Surely everyone will welcome the intention in the Green Paper to remove the unemployment trap and, as far as possible—it may not be entirely achieved—to ensure that people in work are not disadvantaged compared with those out of work. The anticipated reduction of 100 per cent. in marginal tax rates is crucial. Even if the price that we have to pay is that more people will have a marginal tax rate of 90 per cent. or more, it is an improvement on the present 100 per cent. marginal tax rates, with which we must deal. One hopes that one will minimise the 90 per cent. rate, but it will be a vast improvement.

The family credit scheme based on take-home pay calculated by the employer is also potentially a vast improvement, in that it will target money on those in greatest need. The critical problem, as ever, will be that of take-up. It is not axiomatic that a six-monthly application system, a 13-week income assessment system and employers making the payment in the pay packet will necessarily improve the take-up. One hopes that it will do so, but it will not necessarily of itself do so. There will need to be a substantial marketing effort and a positive, active role by employers in encouraging their employees to take up the benefit.

If we are to deal effectively with family poverty, we need a high take-up rate of family credit. We will need additional resources to achieve that. From where will the resources come? They could come from other parts of the package, but if that is the intention, the resources will be tight.

I wish to give considerable support to the plea made by my hon. Friend the Member for Wells (Mr. Heathcoat-Amory) on child benefit. It is becoming a popular plea from these Benches that those who are rich should not automatically be entitled to child benefit. Unless we have a system of taxing child benefit, or having an income cut-off point, we will not produce the resources to make family credit an adequate response to our family poverty problem.

I doubt that we will solve the problem of family poverty unless we have a partial tax benefit integrated system with family credit, child benefit and tax brought into the same system as a first step. All the signs are that we can do that fairly soon, so let us get on with it as soon as possible.

There is silence in the Green Paper on whether the credit will apply to the self-employed. It is vital that it should do so, because there are low-earning self-employed people, many of them starting new businesses, who need help and encouragement. We need to know how the system will work for them.

The family credit proposals include the highly commendable principle that people should be given cash in their hands, not benefits in kind, so that they can decide how to spend it. Already the hysterical Left is claiming that free school meals will be abolished, rather than applauding the fact that we will be giving people money and the dignity and independence to decide how to spend it.

So often it has been claimed that a great deal of stigma attaches to benefits in kind, such as free school meals. The issue is greatly exaggerated, but for some people there is an element of stigma. If we have the opportunity to abandon that, let us do so. If the argument can be applied to family credit, why is it not logical to extend it to those on income support? Surely the most potent argument for the retention of free school meals must be the variation in payment from one area of the country to another. If it is accepted that we can achieve an appropriate addition to family credit, why cannot that addition be added to the child rate for income support, so that we can go further along the road of abolishing the ludicrous benefits in kind?

The whole principle of income support with circumstantial premiums is to be commended. It will target benefit on those in greatest need. When deciding on the premiums and the rates, I ask my right hon. Friend to bear in mind the poverty often found in single households, especially among pensioners. I suspect that, after families with children, that is the greatest area of poverty. We must take that into account in setting income support levels.

I wish to raise three points relating to income support. For the first time, the Green Paper has established the presence test for income support, which is to be commended. It is quite right that foreigners, of whatever origin, should not be allowed to enter this country and immediately claim benefit. The reality may not be as substantial as the inclusion of the presence test suggests since primary immigration is virtually at an end, so there

[Mr. Roy Galley]

may not be too great a difficulty. The only problem is what to do about political refugees. Will they be paid from money in the social fund?

The capital rule change for income support will be widely welcomed. The £3,000 cut-off has been a source of resentment to many people for a long time. In carrying out this reform I hope that my right hon. Friend will also take the opportunity to align the rules for charges for local authority and private homes with the changes. At present there are anomalies and there is an incentive for old people with capital of between £1,200 and £3,000 to enter a private home, while there is an incentive for those with capital over £3,000 to enter a local authority home. I hope that that anomaly will be tackled when the new changes are introduced.

The easing of the earnings rules and the disregard rules will also be welcomed, but I wonder whether we could be a little more generous in the disregard rules, especially for overlapping benefits. There are many groups for whom the disregard rules mean the loss of all the £4 of their secondary benefit. For example, I especially wish to mention the war disabled on supplementary benefit, which is their only source of income. They are currently losing substantially.

There are many gems in the Green Paper which have not been given sufficient attention this evening. I commend much of it to the House.

8.26 pm

Mr. Gordon Brown (Dunfermline, East): What we are debating tonight is a review that the Government call the most fundamental reform of the welfare state for 40 years. It is a review from the consequence of which they admit almost no family or household will be spared. It is a review about which the electorate was not warned, about which details are still denied, to which additional weekly cuts —such as in child benefit—are added and from which advisers are daily deserting the Government, having sat on the review teams.

Quite simply, the Government have had to impose the review because the economy that they are running can no longer meet the standards necessary for a civilised and decent society. The review displays principles of simplification, targeting and partnership only as a pretext for what has become clear as penny-pinching and piecemeal cuts in provision for ordinary people.

With £500 million cuts in housing benefit already announced, with almost 4 million pensioners affected as a result, how can the Government say that to simplify is just not another shorthand for cutting? When the Secretary of State had to admit on "A Week in Politics" 10 days ago that the housing benefit cuts were only the major savings of this review, and when we know that £200 million is to be saved in child benefit, how can he maintain that this is a nil cost review? We know that the right to a death or maternity grant is to be abolished, that single payments to more than 1 million households are to be abandoned, that heating additions to more than 2 million households are to be abandoned, and that in their place all we will get is citizens claiming or begging from a social fund with no rules, regulations or right of appeal. How can Conservative Members, even with their new-found interest in philosophy and structures, tell us that the philosophy of targeting presented in the review is not simply the proliferation of more means testing, linking shame to need, even at birth and even, in some cases, for people beyond death?

How can the theorists of the new Right tell us that cutting benefits for the unemployed under-25s by perhaps £5 a week, and then asking them to pay £2 a week in rates —at a time when we know that, for example, in my constituency there is only one vacancy for every 30 people seeking work, which is true for most constituencies—is fostering work incentives when all that they are doing is penalising the unemployed?

I have a question for Conservative Members who applauded the Secretary of State two weeks ago and who have been laughing tonight as my hon. Friends and I have been explaining some of the facts and figures about the reviews. They cannot blame the Government's recommendations on expert advisers, because those advisers do not submit to the review conclusions. Nor can they blame the review recommendations on their manifesto, because the proposals were not in it. They cannot even blame the state of the economy for the proposed cuts, because they say that we are in the fourth year of sustained growth.

I ask them what they intend to say to their constituents to justify the plight of a pensioner on £35·80 a week who was promised protection by the Conservatives but who is now to be penalised for his or her thrift, who will be deprived of perhaps all help with rates because that pensioner saved up and has a small occupational pension worth, say, £10 or £15 a week?

What excuse can Conservative Members give to the young unemployed for cutting their benefit, when the Secretary of State for Social Services said just prior to the last general election that cutting unemployment benefit was an unacceptable price to pay? They are now, however, likely to be worse off to the tune of £7 a week as a result of the reviews.

What explanation will Conservative Members give to the widow whose allowance of £50 a week paid over six months is to be consolidated into a smaller, one-off benefit of £1,000, remembering that many widows, particularly those who are childless, will lose hundreds of pounds as a result of the changes?

What justification will they give to pensioners who will be deprived of their heating addition? What will they say to the 7 million mothers who will be deprived of a rising level of child benefit and even of the right to maternity benefit?

The Secretary of State has compared himself with Beveridge. The Leader of the House said of the right hon. Gentleman that his reforms would stand alongside those of Beveridge and Lloyd George. The test which the Secretary of State asks us to apply to his proposals is the test of a Beveridge report which commanded national consensus.

Where does the review, in its many aspects, raise its horizons to those of Beveridge? Where does it refer to the giant evils of poverty, want and idleness which concerned Beveridge? Where does it refer to the present worsening poverty that would have challenged Beveridge? Where does it refer to the inadequacy of benefit levels which would have enraged Beveridge? Where does it refer to the need for the redistribution of wealth, from rich to poor, instead of the redistribution of poverty, as the review proposes, among the poor?

We are looking for a vision to deal with the giant evils of want, idleness and poverty. All we find is an obsessive, compulsive concern about the burden on taxpayers, about costs and about cuts.

What the Government propose is not designed to meet the social challenges of the future. It is designed to deal with the chaos of economic failures on the part of the Government. The test for the Chancellor in the reviews is not a reduction in poverty but a reduction in the public sector borrowing requirement.

Under the SERPS proposals, it is suggested that the growth rate of the economy in 40 years' time will be half what it is now. In other words it will be less than it has been under almost every Government since the last war. The truth that emerges about the Government's policies is that we have a third-rate welfare state for a second-rate economy.

The Government should know that the British people are concerned more with poverty, are less selfish and are less self-centred than the M3-obsessed faction who are now ruling over the nation. They should know that the British people do not regard the welfare state as a luxury but as a lifeline. They do not see it as a sort of optional extra to be discarded at the whim of the Government. They see it as an essential component of a decent, modern society.

The Labour party believes in the welfare state. The country believes in it. The Government are isolated in their proposals to cut benefits, to penalise the unemployed and to introduce new means tests into our society.

8.34 pm

Mr. Robin Squire (Hornchurch): Most Back Benchers — rightly, considering that we are debating a Green Paper — have concentrated on making constructive suggestions. It is all the more to be regretted, therefore, that the opening speech by the Leader of the Opposition was a 45-minute Second Reading rant, and he lost a great opportunity to express some of his views.

I congratulate the Government, as other hon. Members have done, on the prodigious amount of work that has been involved in the reviews. I welcome a number of the proposals, though I shall, like other hon. Members, concentrate on those things with which I do not agree.

I wish at the outset to put the alternative argument on child benefit, and I do so because I have for long believed, as my right hon. Friend the Minister knows, that until and unless we have a proper, working, operational, combined benefit and tax system, it is folly in the extreme to do away with the most effective means of reaching out to poor families. Literally dozens of reports sustain me in that view, and I need quote from only one. That is the Policy Studies Institute report, which is well respected and which states:

"PSI research . . . clearly identified hardship experienced by out of work families with children, and leads to the suggestion that increased rates for children should be the number one priority for social security . . . In fact the overwhelming majority of families in receipt of child benefit are tax-payers; the most efficient mechanism for targeted tax relief is child benefit. An increase in this could be counted as a tax credit to avoid an apparent effect on public expenditure. The resources are available from a demonstrably less well-targeted form of family tax relief, the married man's tax allowance."

My hon. Friends the Members for Wells (Mr. Heathcoat-Amory) and for Halifax (Mr. Galley) and others who have not yet spoken should accept that if we are to launch into an attack on all-embracing universal benefits, we should consider that one and, even more obviously, mortgage tax interest, before we start tackling a benefit that goes to the very heart of support for the family.

I come to supplementary benefit, or income support, as we may have to learn to call it. I welcome without reservation the simplification proposed in the Green Paper Few, if any, hon. Members can doubt that the preser t complexity of the scheme prevents many people—who justly and rightly should be receiving it—from getting this benefit.

I hope that the House will forgive me for dealing with an instance of the consequences of removing all special single payments. I quote from a letter that I have received from the Newham neighbourhood energy project, a voluntary project which I know well and which does a great deal to assist low-income and elderly people with their heating. The letter states:

"Dear Mr. Squire,

I wrote to you in March regarding the possible cessation of 'single payment' provisions for draught-proofing under the review which the Government were then carrying out. As now announced, this provision is being dropped and there appears to be no replacement provision under the proposals published in the Green Paper. This is devastating news to our potential clients and to the 170-odd staff whom we employ on these projects, sponsored by the Manpower Services Commission. A substantial number of our elderly, sick, disabled and low income clients rely on this single payment provision to cover the costs of the draught-proofing materials which we install . . . Over 40 per cent. of the long-term unemployed whom we recruit subsequently find full-time permanent work. The removal of the single payment provision will seriously affect the numbers whom we can potentially assist and will have a detrimental effect on our provision of jobs for those who most need them. Yet, nationally, we are talking about very modest sums. If every one of the 4 million currently qualifying for single payments were to have their homes draught-proofed to an efficient and effective level, the cost would be less than £100 million and the energy savings alone would recover this sum in less than two years — disregarding the qualitative benefits of warmer homes and greater comfort. 1986 has been designated 'Energy Efficiency Year,' yet one of the main-stays of the service which we provide is now under threat."

I do not expect the Minister, when summing up tonight, to give me a detailed answer to that, but I trust that he will look into it and contact me in due course. If that were a consequence of the change, I and many other hon. Members would regret it.

Having called for some time for a simplification of what is universally accepted as a hopelessly complex system of housing benefits, I thought that all others would, like me, welcome what is proposed. I am surprised, therefore, that some hon. Members have not agreed on that. Wherever the blame for the present system lies, it is self-evident that any scheme that involves the DHSS and local authorities in interminable negotiation must need major reform, such as that outlined in the Green Paper.

Other hon. Members, including my hon. Friend the Member for Brighton, Kemptown (Mr. Bowden) have pointed out the consequences of moving from six tapers to one. Ultimately, that is a political judgment which the Government and the House will take. If we combine the housing benefit for both rent and rates, there will be substantial losses of £3 or £4 a week for those receiving benefit. Often these people are the elderly. I am sure that my hon. Friend the Minister of State will take that aspect into account.

I urge the Government to continue to listen to the various experts. Of course, political decisions must

[Mr. Robin Squire]

properly lie with the Government, but I urge the Government to listen to the experts when considering the mechanics of the benefits to be implemented. Many warnings have been given by groups such as the Child Poverty Action Group, the Shelter Housing Aid Centre and Shelter before the introduction of the housing benefits system. It is incumbent upon us to listen to the warnings from people who say, "If you implement the system, it will be chaotic and haphazard."

I turn to the general principles that permeate each of the benefits. It is easy for hon. Members, especially Conservative Members, to welcome the improved targeting of benefits towards those most in need. I would be the first to say that, where that can be done, it must be done. The benefits are obvious. A balance must, however, be struck. Time and again in the Green Paper we see that the consequence of making that targeting the only standard would be unacceptably high marginal rates of income tax. We must be consistent. The Government rightly deplore any suggestion of again imposing income tax at the lunatic levels of 80 per cent., 90 per cent. or even 95 per cent. We must continue to point out the danger that that would cause if an alternative Government pledged that they would introduce that system.

If we are consistent, we must recognise the disincentives of such taxation levels being imposed on people with a fraction of the resources of the people to whom I have referred. If part of the cost of making the slope of benefit withdrawal more gentle is regarded as a direct contribution to a reduction in the marginal income tax rate, that is money well spent. It is important to make that point rather than to believe, with all our experience of means-tested benefits, that an abrupt termination of any benefit would do anything other than keep many people in a poverty or unemployment trap. I know that all hon. Members want those traps to be removed.

As I wished to demonstrate that I can speak in less than 10 minutes, Mr. Deputy Speaker, I am happy to give a fulsome welcome to the Green Paper. I look forward to the discussions continuing beyond this evening.

8.43 pm

Ms. Jo Richardson (Barking): I hope that the hon. Member for Hornchurch (Mr. Squire) will forgive me if I do not follow his last argument, but I have only a few minutes in which to speak.

An underlying theme of the Green Paper worries me greatly. Apart from the individual measures proposed, their merits and demerits and the review's poor law approach, I am worried about the underlying assumption that women are the dependants of their husbands. I deplore that. For some time we have been trying to move away from that concept. Although the state believes that women are dependants of their partners, that view is becoming increasingly less acceptable to women, especially the 40 per cent. of the work force who are women and the 1·25 million women who are the main breadwinners in their families. In spite of that trend, many of the proposals in the Green Paper take us backwards and encourage a more Victorian and outdated approach.

The ending of the state earnings-related pension scheme, which puts the onus on the individual to organise an individual pension on top of the basic state pension, will be disastrous for women, because they are already in a dependent and unequal position. The present system does not provide equal pension rights, but at least it gives women some protection. Many women will not be able to organise themselves to have an additional pension. They will be subjected to the new high street cowboys, who will try to sell them a cheap pension which will appear attractive but which may prove not to be so. They will be landed with an inadequate pension. This applies to many groups, including the low-paid and women.

Women who do not work will be dependent upon their husbands' schemes, which may not always be adequate. Widows will suffer if no scheme is organised or if the scheme is discriminatory or inadequate. The proposals hit a vulnerable section of our community who are at the bottom end of the pay scale.

It is proposed to abolish family income supplement and to replace it with the family credit scheme. This will involve payment through the wage packet rather than through the Post Office. Free school meals and welfare foods will go in favour of a possible increase in benefit. I say "possible" increase because no one has quantified what will happen. In the majority of cases, payment of family credit will be made through the male wage packet. The woman in the family will have no guarantee unless she and her husband have a good and shared relationship. She is in charge of the family income and has to budget, yet under this system she could be much worse off.

There is no guarantee that family credit will reach the woman's purse. Removal of the safety net benefits, such as free school meals and welfare foods and the payment of money through family credit, may mean that the woman will not receive the resources. This is a reversal of the concept of redistributing resources within the family and will mean an increase in the number of women who are seen as dependents of their partners.

Whatever the age groups or the circumstances, the Government are hitting women. The Government do not even protect women during pregnancy, which is a vulnerable time. For a long time I have campaigned for maternity grant to be increased. It is abysmally low. It is no good telling me that the flat rate, means-tested benefit of £75 paid from the social fund to replace the concept of a universal maternity grant and single payments for baby clothes are improvements. We shall lose the principle of the maternity benefit, which is a precious principle on which we should build. We are saying that women will have to go with hand outstretched to the social fund to obtain money for their children.

Next week the DHSS will go to the other place on appeal against the judgment in the case of Mrs. Gillick, who wants to ban the giving of contraceptive advice to girls under 16 years. As a result, there may be more pregnant girls under 16, yet the Government propose in the review to cut off maternity benefits to schoolgirls. That is a disgrace. This is a vulnerable group of people who have made mistakes, but who should be protected.

As far as can be calculated from the maternity allowance, half a million women will lose the maternity grant, and women on income support may get less than they receive from the single payment, plus the maternity grant. Expectant mothers, who might have expected the review positively to update the benefits to which they are entitled, will not benefit from it.

The abolition of the death grant will affect the elderly, a large proportion of whom are women. The death grant will be discretionary and I understand that it could be

repayable. Why is this extra worry being heaped upon the bereaved? The Government believe that they are being generous by abolishing the weekly widow's allowance and replacing it with a lump sum payment, but most of the £1,000 will be spent upon burial expenses and resettling the widow in new circumstances.

The Government had a golden opportunity to provide women with greater equality and financial independence, instead of which they are thumping women. The Government thump girls when they are at school and might get pregnant; when they grow up, get married and try to set up home and start a family; when they try to make ends meet on a low family income; when they work and try to provide for their retirement; when they retire and also when they are bereaved. If a woman is beaten up by a violent and uncontrollable husband, that is called domestic violence. I call this Government violence, and the sooner we get rid of it the better.

8.52 pm

Mr. Edward Leigh (Gainsborough and Horncastle): The principal reaction to the Green Paper, which I share, has been one of homage to the political skills of my right hon. Friend the Secretary of State for Social Services in avoiding the numerous banana skins that lie in the path of any Conservative politician who proposes the modernisation of the welfare state. The avoidance of banana skins, however, is not a sufficient guide to statesmanship. True, one does not fall over if one does not stride purposefully forward, but one does not achieve very much either, apart from being remembered for shrewdly defending one's corner. For however much the Labour party may attempt publicly to adhere to the sacred shibboleths of "welfare-state-speak", every independent commentator has come to accept in recent years the need not just for a review of the welfare state but for a radical reform, not merely to improve the old ways but to change direction altogether.

It would be unfair to describe my right hon. Friend's review as mere patching of a rotting edifice. He has planted the seeds of an exciting new structure, but they still lie buried very deep. In these seeds I hope we see the beginning of the end of the contributory principle, long since dying in fact if not in sentiment, the end of the principle of universality and the beginning of negative income tax and the integration of the tax and benefit systems. We see that in the new family credit.

But why is a new start needed? It is needed because Lord Beveridge in his wildest dreams could not have conceived his creation developing into a bureaucratic monster employing 70,000 people administering 43 different means-tested benefits, costing £40 billion and now £42 billion a year—more than we spend on defence and health combined—and allowing, according to the *Daily Mail*, so it must be right, middle-class Italian students the privilege of free holidays in Great Britain.

Three weeks before this year's Budget I was lucky enough to come top of the ballot for private Members' motions and I chose as my subject for debate the need for the integration of benefits and taxation. I like to think that that motion was a provocative thrust against the Treasury mandarins who, it is becoming increasingly clear, are determined to adhere to the outdated principle that we are two nations: a nation of thrifty workers paying taxes, and a nation of the poor, the elderly, the disabled and the unemployed gratefully receiving the fruits of the nation's labour in benefits.

To the Treasury mandarins the glory of PAYE stands as a monument to their ingenuity: pure, intellectually whole and satisfying but quite separate from the messy jumble of those 43 means-tested benefits. Alas, the truth is very different. All of us—I apologise for vulgar language—have our noses in the trough of state support.

The most infamous example is that of child benefits. This afternoon, in questions to my right hon. Friend the Secretary of State for Social Services, I asked him what rational justification there is for taxing struggling young families on low incomes into the poverty trap in order to subsidise the child bearing of a duchess. "Ah," said my right hon. Friend, if I may paraphrase him, as he desperately searched for an answer which would not smack of political opportunism, "child bearing carries particular costs and responsibilities for the duchess as for everyone else." Granted; but why make her pay crippling income and capital taxes on the one hand and give her a benefit that she does not need on the other? Do we really think that the higher income classes of this country are such dolts that they enjoy the state deciding for them what crumbs they shall be offered in return for the taxes that they pay in order to subsidise the monstrous leviathan of an out-of-control bureaucracy spending £40 billion a year?

But child benefit is only one perk that we all enjoy from the state, however well off and successful we are. Old-age pensions, mortgage tax relief, free health care, and income tax thresholds are all there. The Treasury mandarins are wrong. The walls of their castle have long since been breached by middle-class voters who would rather enjoy a perk now than look forward to the chimers of tax cuts.

However, my right hon. Friend's success in his Green Paper has been to start a move towards the reluctant acceptance by us all that the apparatus which aims to mix up contributory and non-contributory benefits and universal benefits for the well-off and the hard-up alike cannot survive. It is not fair; we cannot afford it. It does not adequately target help to those most in need. We must choose between a whittled-down Beveridge concept based on the state paying the premiums of those unable to contribute and a fully integrated tax and benefit system. To choose the former way is to suffer under the continuous and effective, if outrageous, arrows of the onslaught of the unprincipled thrust of Opposition argument as perk by perk, benefit by benefit is salami-sliced away. We all receive those benefits in one way or another.

The latter approach is difficult, expensive and radical, but it has one virtue—it is right, rational and feasible and it will make it politically possible and acceptable to remove child benefit from the well-off and to give it to the hard-up. To that extent I welcome the Green Paper, but only as a first step on a long path, not as a final settlement.

8.58 pm

Mr. John Hume (Foyle): I am grateful for the opportunity to take part in the debate, as I believe that my constituency has a higher rate of dependence on social security than any other represented in this House. There is 40 per cent. unemployment in Strabane and 30 per cent. in Derry, and 21,000 of the 60,000 people on the electoral register in my constituency are supplementary benefit claimants, so I can perhaps claim more direct experience than right hon. and hon. Members on the Conservative Benches of the effects of social security arrangements.

Many of the people who come to my office are trapped between monetarism and terrorism. The Government's

[Mr. John Hume]

neutron bomb economics has left workplaces standing but taken the people out of them. The terror bomb tactics of the IRA have destroyed the workplaces and left the people standing — on the dole queue. One closes down workplaces as uneconomic targets while the other blows them up as economic targets. One uses unemployment as a tool of economic strategy while the other uses it as a tool of political strategy, and we all know who pays the price —the people who end up on social security.

Government and Opposition seem to be agreed on only one claim—that the proposals in the Green Paper will have far-reaching effects. No matter how far-reaching the effects on Great Britain, the effects in Northern Ireland will be especially pronounced because social security payments represent about 26 per cent. of household income in Northern Ireland compared with about 13 per cent. in the United Kingdom as a whole. If the Green Paper is implemented, it will have a profound effect on the lives and living standards of many people in the north of Ireland, not just the unemployed and the elderly but many people at work, because social security payments account for one quarter of the spending power in the Northern Ireland economy.

Few would dispute that our social security structures, methods and levels of payment need reform, but the primary aim of any attempt at simplification must be to ease access and attainment for those entitled to benefit rather than to ease administration and accounting for management. The review has correctly identified many problems in the present system but, unfortunately, it has failed to identify many answers correctly. That is hardly surprising given that, by announcing a nil cost review, the Secretary of State had already more or less decided what the score would be before the exercise began.

The nil cost criterion was presumably the reason why some of the most obvious questions were not asked. For instance, what level of benefit is necessary to protect people from poverty? That is surely a fundamental question. What effect will means testing have on the take-up rate and to what extent will those just above the arbitrary means test limit be penalised? Those questions are fundamental to any serious consideration of whether a scheme would actually insure against poverty and provide for need, but those questions have been ignored. Means testing is to be extended on the basis that it ensures that help goes to those who really need it, but no study was undertaken to see whether that would be the effect and whether there would be side effects. I contend that means testing does as much to deny help to people who really need it because those people have their dignity as it does to ensure that help is given to those who are technically entitled to it.

The nil cost criterion also means that, at best, money will be taken from the poor and given to the poor in a redistribution of poverty. Given that savings of at least £1 billion — the lowest figure yet conceded by the Government—are expected to flow from the proposals, it is clear that in fact money is to be taken from the poor and given to the wealthy in future tax cuts. The Government's economic statement includes much talk about incentives to the wealthy in terms of tax cuts, higher profits and ownership of former public enterprises, but the incentives to the less well-off are low wages and restricted social security benefits. The recent Budget was mainly a strategy to bring about a low-wage economy and the Green Paper is the other side of that coin—the residualisation of the welfare state.

The Opposition have referred to it as the distinction between the deserving and the undeserving poor, while the Government talk of concentrating resources on those in greatest need. In fact, it is a residual scheme of assistance for people who will feel stigmatised as a social and economic residue. That is a retreat from Beveridge and a return to the values of the Victorian poor law. It is attacking the poor instead of attacking poverty. The family credit scheme as proposed in the Green Paper is surely a licence for low wages and is obviously in keeping with proposals in the recent Budget. Rather than helping overcome the problem of low wages, this scheme will help sustain low wages. Rather than providing assistance to employees, it will provide wage relief to employers, a hidden grant to encourage low wages. Will the Secretary of State tell me what the difference is between the family credit scheme and the Speenhamland system?

The Government are trying to tell us with their low-wage strategy that poverty is the answer to unemployment. Northern Ireland already has lower income levels and higher unemployment than Great Britain and we are being told that if we have higher unemployment and lower wage levels that will be the spur that will make people get on their bicycles and go to get work. We already have a pilot area in which we have the highest unemployment and the lowest wages imaginable, and the result is community strife and instability. That is the direction in which that sort of Victorian thinking leads.

With regard to the proposed changes to supplementary benefit, in my constituency, with 60,000 people on the electoral roll, there are 21,000 claiming supplementary benefit. The income support proposal which is to replace it can be given a full analysis only when we know what levels of benefit we are talking about, and we do not. It is not clear either on what criteria or indices the Government will determine the levels of payment under the income support scheme, except that it must be lower than a low wage. This gives ground for suspicion and I am particularly worried about that portion of support which is meant to help with heating costs. For example, some parts of the United Kingdom have much higher heating costs than others and a greater incidence of fuel poverty. If the Government's intention is to help those in most need, what is their method of linking support payments to such particular social and regional factors?

Single payments are to be replaced by grants from the social fund. This is probably one of the most pernicious aspects of this Green Paper. Again, there is the example of my constituency. In the life of this Government, from 1978 to 1984, these are the statistics. In Derry city, in 1978, 2,789 single payments were made; in 1984, 12,959 were made. In Strabane, the figures were 1,200 in 1978, and 10,000 in 1984. The figures have been multiplied by six in the lifetime of this Government.

Those figures demonstrate the growing need among people in poverty under the policies of this Government, yet their answer is to give them loans. The people I am talking about are people with dignity. The net result of asking those people to be means-tested for loans is that they will end up with loan sharks and moneylenders—another opportunity for private enterprise.

Secondly, there is this business of assistance with budget management. There is no greater arrogance or

insult to the poor people of our country and society than to suggest that what they need is assistance in managing their budget rather than a rise in their income level. Could any hon. Member manage his family budget on supplementary benefit and feed his family as well as those people do? The best managers of budgets in this country are the women who feed and rear families on the pittances they receive on supplementary benefit. It is a damned insult to the integrity of those people to suggest that what they need is advice on how to manage their budgets.

The philosophy that appears to underlie this effort is based on the notion that a high percentage of social security payments in relation to GDP is bad for economic growth. Why, then, is it that the United Kingdom has a lower percentage of GDP going on social security than many other member states of the European Community? Why is it much lower than in West Germany, which is consistently held up to us as a model economy?

All this has effects on society. I have some experience of deprivation, poverty and alienation. I give a warning from a man with great experience of what deprivation and enforced poverty did to human beings—Martin Luther King. He said:

"When an individual is no longer a true participant, when he no longer feels a sense of responsibility to his society, the content of democracy is empty. When the social system does not build security but induces peril, inexorably, the individual is compelled to pull away from a soulless society. This produces alienation, perhaps the most pervasive and insidious development in contemporary society."

I warn the Government that they are not building security but inducing peril. Inexorably, the individual in this soulless society that they are creating will be driven away.

9.11 pm

Mr. Timothy Wood (Stevenage): Despite the passionate opposition from the hon. Member for Foyle (Mr. Hume), I give a strong welcome to the proposals in the Green Paper. Over the years, it has amazed me that the Labour party, with all its protestations about the need to help the poor, has been prepared to support a social security system which is incredibly complex and often most unfair.

Although some Labour Back Benchers made constructive points of criticism about the Green Paper, from the Front Bench we heard only blanket opposition, without any detailed consideration of the merits of some of the proposals. In particular, the family credit system is a major step forward from the family income supplement. Its assessment of those in need is based on net income. Secondly, there is an obvious need to simplify the housing benefit system. Although one can argue in due course about numbers, the case for that simplification is overwhelming and I am delighted that at last we are beginning to approach such a simplification.

For years some people in work have been worse off than those out of work. For years, an increase in wage for a family with children could make a family worse off. For years there has been a multitude of benefits which the needy have not understood and which many have not claimed. That is not a satisfactory welfare state.

I can give an example. At my surgery last Saturday, a married man with two children came to see me. His wage meant that his family income was just above that giving an entitlement to family income supplement, but he was entitled to housing benefit. About six months ago, finding himself short of money, he started to work overtime. Three months later he received a notice from his council saying that it was terribly sorry, but his increased income meant that he lost £120 housing benefit. He worked more overtime, and another three months later he was told that another £98 was owing. There is a case for modifying such absurdities.

The assessment of family credit and housing benefit on the basis of net income is immediately a major step forward. It will mean that the combination of loss of benefits and the incidence of tax will have a marginal rate on the increase of income where the marginal rate of tax and loss of benefit will be about 85 per cent. rather than, as at present, rising to 110 per cent., or even higher percentages. It is obviously desirable that we make those changes. I should like to see the Opposition at least welcoming that sort of change, even if they are discontented about some other aspects.

The Opposition have complained about a lack of figures. In reality, it is possible to develop a variety of sets of figures on the basis of the structures that have been put forward. Indeed, the right hon. Member for Plymouth Devonport (Dr. Owen) did precisely that in his contribution. Even the hon. Member for Oldham, West (Mr. Meacher) has put forward some figures, although I must admit that they are so bizarre that he has been either scaremongering or incompetent.

I believe that there is every likelihood that the family credit slope will be about 50 per cent., as it is now, and that, the housing benefit slope will be something similar. As a consequence, an increase in income will be subject to a total rate of about 85 per cent. If we go along that path, I believe that we will achieve a considerable step forward in the alleviation of the poverty trap and the unemployment trap. I support the proposals.

9.15 pm

Mr. Michael Meacher (Oldham, West): The Secretary of State made two new points in opening the debate, and I think only two, in an otherwise fairly predictable speech. The first was to announce that the widow's allowance of £1,000 will be tax-free—what a concession that is. What he did not add was that most widows on £50 a week or so pay hardly any tax now. In any case, the widow's allowance is all too likely to be taken into account in the calculation of entitlement to the death grant if it is applied for.

Secondly, the right hon. Gentleman made it clear that he would give no commitment that the social fund would be topped up if it ran out. This means that, after doubling poverty since 1979, the Government are now cash-limiting the relief of poverty. That is an extraordinarily harsh decision. I notice that even his hon. Friend the Member for Thanet, North (Mr. Gale), who is no Tory softie, could not stomach it. It says something about the nature of the Green Paper exercise, which my hon. Friend the Member for Birkenhead (Mr. Field) aptly described as similar to having an X-ray without a barium meal, that even the Thatcherite wing of the Tory party finds it difficult to stomach parts of it.

The Green Paper is surely unique in at least two respects. Its declared aims are almost wholly belied by its own evidence. Not only does it blank out all the relevant conclusions; it conceals the fact that, on all the main

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issues, the Government countermanded the conclusions of their own review committee, in every case to the marked detriment of claimants.

The Secretary of State has repeatedly made it clear—he did so again today, and it is stated in the Government motion—that the four major themes of the Green Paper are targeting of the needy, simplification, improving work incentives and a new partnership between state and individual. It is truly astonishing that the Government should have chosen to justify in the Green Paper four themes which are manifestly and explicitly contradicted by the contents of their own Green Paper.

Targeting is, of course, the current Tory buzz word for more means testing and more cuts. But SERPS is not being targeted better; it is being abolished. Housing benefit is not being targeted better; it is being cut. Unemployed families, where some of the worst poverty in Britain today exists, are not being targeted with increased aid; they have been victimised with further cuts. If targeting were really the aim, why are the poorest being required for the first time ever to pay a minimum of 20 per cent. of their general rates out of an already meagre and inadequate basic benefit? If targeting were the real aim of the exercise, why are 1·8 million families being excluded altogether from housing benefit, of whom the great majority are owner-occupier pensioners, especially widows with small occupational pensions? Is targeting now to be the reward for a lifetime of thrift?

I commend the brave speech of the hon. Member for Brighton, Kemptown (Mr. Bowden) because he had the courage to point out how punitive the new rules on the tapers are. I hope that his right hon. Friend took note of those honest comments.

The only targeting in which the Government are interested is targeting on the rich, and they have certainly concentrated on them. According to an answer from the Treasury on 4 April, no less than an extra £2,000 million in real terms has been targeted since 1979 on the richest 2 per cent. of the population—those earning more than £30,000 a year. Had that money been targeted on pensioners, every pensioner in Britain would receive a Christmas bonus of £200 this year.

The Secretary of State justifies his proposals on grounds of simplification, but the Green Paper shows that the opposite is the case. The proposals will involve greater complexity. Instead of a single set of supplementary benefit rates, there will be four tiers of the new income support scheme, and a proliferation of at least seven premiums to the basic rate. My hon. Friend the Member for Glasgow, Provan (Mr. Brown) spoke eloquently on that point. There will be two premiums for the elderly, two for the unemployed and others for single-parent families, the disabled and families in general. That is not simplification. It is swapping one complicated system—I agree that the present system is highly bureaucratic—for another, which I predict will be just as confusing to claimants as its predecessor, supplementary benefit. The Government's two main alleged objectives—targeting and simplification—not only do not coincide, but are incompatible.

"Targeting" is Fowlerspeak for more means testing. As the Secretary of State wrote to the Child Poverty Action Group a year ago:

> "By their nature, means-tested benefits are complicated to legislate for, administer and understand."

He was entirely accurate. He should not try to fool us that this is an exercise in simplification.

Moreover, the new social fund will not simplify; it will do the reverse. It will replace unambiguous rights with vague discretion. Local social security officers will be put in a highly invidious position, to which no civil servant should be subjected, of deciding who is helped in an emergency and who is not. In the Prime Minister's brave new Victorian world, they will be like the guardians of the Victorian poor law. There will be no independent appeal against their decisions, however idiosyncratic. This is not simplifying, it is maximising bureaucratic discretion and arbitrary power.

Perhaps when the Secretary of State mentioned simplification, he meant the housing benefit scheme, to which the hon. Member for Stevenage (Mr. Wood) referred. If so, all I can say is that it is a bit rum to make a virtue of simplifying a scheme that he created—warts, complexities and all. A little more humility and contrition would not come amiss from the right hon. Gentleman for wishing on us what *The Times*, which is not given to Left-wing rhetoric, recently described as

> "the biggest administrative fiasco in the history of the welfare state."

Another rationale used by the Secretary of State for the Green Paper is that it improves work incentives. Apart from the fact that that is a Tory euphemism for penalising the unemployed, as my hon. Friend the Member for Dunfermline, East (Mr. Brown) said, the Secretary of State is refuted by his own document. If, as is stated, the withdrawal rate on housing benefit is 70 per cent., and that on family credit is 60 per cent., as the leaks have said — the leaks have proved to be accurate so far — taxpayers claiming family credit and housing benefit will lose about — *[Interruption.]* The Secretary of State obviously has a distaste for figures. Although he is not prepared to give them to the House, perhaps I can give one or two. Such a family would lose 93p on every extra pound that it earns. That is no great incentive to work harder.

What matters even more is that the Green Paper shows that there will be an increase in the number of poor people who pay marginal tax rates well above the 60 per cent. tax rate incurred by millionaires. One wonders how many Tory MPs would view with equimimity being subjected to a tax rate at that level in the interest of improving work incentives.

The Government's fourth justification for their proposals is the so-called twin pillar approach—the joint partnership between state and individual. It is mind-boggling that the Secretary of State has the brass neck to proclaim as a guiding principle an objective which even a moment's reflection shows is blatantly contradicted by what is by far the most important proposal in the Green Paper—the abolition of SERPS. I can only presume that it is based on the notion that if one tells a big enough whopper, and tells it often enough, no one will notice it.

So much for the Government's stated objectives, none of which stands up to close examination. Therefore, it is obvious that the Government's real motives, unstated, are different. They are perhaps best indicated by one key piece of evidence—the decisions taken by the Secretary of State himself, which overrule the recommendations that his own reviewing team made to him. They are extremely revealing.

First and foremost, the Secretary of State overruled the view of the committee reviewing pensions, which he himself chaired, so as to insist on the abolition of SERPS. The right hon. Gentleman shakes his head, but we now know that all three—which must be unparalleled—of the independent specialist advisers on his own inquiry team wholly opposed this move.

The Secretary of State overruled his housing benefit review committee to insist that the poorest families should be required to meet a minimum 20 per cent. of their rates bill. In the debate today even some of his Back Benchers have been jibbing at that. That is his decision. In its letter to the Secretary of State, the review committee said:

"We have concluded that for those on supplementary benefit or equivalent net income, it would be unrealistic to suppose that even a small proportion of housing costs could be met at the expense of other personal requirements. We believe that 100 per cent. help with housing costs for those on the lowest incomes is the only fair way of meeting their needs within the present vagaries of the housing market."

That was uncompromising advice, but it was deliberately repudiated by the right hon. Gentleman.

The committee made it clear that it disagreed with the Government's argument that making low income families pay a proportion of rates would help control the level of rates. The committee could find no evidence—and the right hon. Gentleman has given us no evidence—that such families have any control over the level of rates set.

The right hon. Gentleman overruled the committees even though their members were all personally hand-picked Conservatives. The housing benefit review committee argued:

"clearly there would have to be some flat-rate addition to current supplementary benefit scale rates to cover the contribution towards housing costs"

Again, the Secretary of State overruled the committee. There is no mention of any such compensation in the Green Paper.

The housing benefit review committee recommended that, to make up for the loss to owner-occupiers from changes in the rates taper, an element of mortgage interest should be covered by housing benefit. The Secretary of State not only overruled the committee but has gone to the other extreme by seeking to restrict mortgage interest payments to those on supplementary benefit for the first six months, even though, when the rate of repossession is already known to be rising, that decision is bound to lead to increased homelessness and to many unemployed families being thrown out on the street.

There is one connecting theme running through all these examples. At every point where the Secretary of State has intervened directly and personally to overrule his own review committees, it is to insert major cuts in benefit. The work of the review committees may have been about restructuring, but the Secretary of State's contribution has been very different.

The damaging parts of the package which will hit people hardest were not recommended—they were often directly opposed — by the review committees. The Secretary of State is responsible for them. He is the guilty man. That is why we are suspicious about his and the Prime Minister's constant excuses and prevarications about the one glaring omission from the Green Paper which has still not been cleared up in the debate—the publication of the figures.

I make no apology for returning to that subject, because it is crucial. We have had plenty of promises and assurances, but how many times does one trust a tainted source? First, the Secretary of State promised that he would not abolish SERPS. On 23 November, 1983 he said:

"My aim in setting up an inquiry is not to call into question the fundamental pensions structure that was established in the 1970s with all-party agreement, and to which I was a party." —[*Official Report*, 23 November, 1983; Vol. 49, c. 360.]

The Secretary of State's commitment was so unequivocal that that matter was not debated by the pensions inquiry. That promise has now been calculatedly broken.

On 3 June 1984, the Secretary of State gave an undertaking and said:

"it is impossible to provide a detailed analysis, because clearly it depends on the benefits rates set in April 1987."—[*Official Report*, 3 June, 1985; Vol. 80, c. 42.]

That excuse has now been exposed for the charade it always was by the revelation that the Secretary of State suppressed the details of gainers and losers at the last moment when the report was at Bemrose Security Printing at Derby. If that is not the case, we shall be glad to know about it.

When will we get the figures? Ministers say that they cannot provide them because they cannot predict the benefit rates of April 1987. If they cannot estimate what the benefit rates will be in less than two years, how can they estimate the cost of SERPS in 50 years time with such precision that they already know that it is unviable? *[Interruption.]* If the Secretary of State would like to assist us and show how his mind works on any of those matters I should be happy to give way. Does the Secretary of State want to speak?

Stalling until 1987 is a cover-up. Why do they not give the figures of gainers and losers that apply now? They are much the same as those shown to the Cabinet. Under pressure of questioning from my right hon. Friend the Leader of the Opposition, the Prime Minister has been forced to bring forward the publication of the figures from April 1987 to November 1985. What will be known in November this year that is not already known?

One telling piece of internal evidence makes it clear that the figures exist and are available. If the saving from housing benefit changes is known to be £500 million, as the Government have repeatedly stated, the new income support scheme levels must be known or that figure could not be calculated. If the figures are available, why can we not have them now?

For the Secretary of State, after the most extensive review of the welfare state since Beveridge—as he likes to call it—to produce a Green Paper without figures is the biggest con since Horatio Bottomley. It comes from a Government who are always talking about closer financial control but who cannot even tell us the aggregate cost of their proposals. I wonder what Conservative Members would think at the company meetings which they no doubt attend if the company chairman presented an annual report but said that the profit and loss account was not yet available.

The Secretary of State has once again declared himself not guilty; nothing could be further from his mind than that he might refuse to publish the figures to conceal the details of benefit cuts.

The Government stand convicted too often of grievous bodily harm to the low paid and the poor. Innocence is not a very plausible posture from a Government who, according to the independent estimates of statisticians in the House, have already robbed the poor of £8·2 billion

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since 1979 — enough to give every pensioner in the country an extra £16 a week for every week this year. It is even less plausible when one considers the malice aforethought being committed against SERPS. The Government's able defence of that act of ideological vandalism is that there will be too many pensioners in the third and fourth decades of the next century for the scheme to be affordable.

I will repeat that quotation. Given that it is now Government policy to uprate pensions in line with prices rather than earnings,

"it would be difficult to argue that we are unloading an intolerable burden on future generations."

That is not a quotation of a Labour spokesman or even Mr. Stewart Lyon, from whom the truth is now finally being forced out, but from the Secretary of State on 13 October 1983. He was a defender of SERPS then. He still saw its merits, through relatively independent and objective eyes.

Mr. Eggar: Will the hon. Gentleman give way?

Mr. Meacher: No. I have undertaken to finish in five minutes.

According to the Secretary of State, just one thing has changed since then. The worker-pensioner ratio has been revealed to worsen in 2035, and so it does. There is only one thing wrong with that argument — the Government Actuary's projections as used in the Green Paper also forecast that the worker-pensioner ratio will substantially improve again by 2050. There is no mention of that in the Green Paper, although such information will certainly have been known to the Secretary of State and to his committee.

Several other important questions about SERPS are conveniently unanswered in the Green Paper. I hope that we shall get an answer from the Minister. If a universal state earnings-related scheme cannot be afforded, how can a universal scheme of private pensions be afforded any better when both are paid for out of the same current production of the working population? How can it be justified to force people to make higher contributions to receive a lesser pension?

I pay tribute to my right hon. Friend the Member for Stoke-on-Trent, South (Mr. Ashley) and to my hon. Friend the Member for Liverpool, West Derby (Mr. Wareing) for what they said about the disabled. How will invalidity benefits fit into a regime of compulsory private pensions when the disabled are such bad risks in the private insurance market? How can it be justified in terms of administrative efficiency, which is so dear to Conservative Members, to abolish SERPS for which administrative costs work out at 1·5 per cent. and to replace it with private pensions for which administrative costs average 18 per cent.?

What effect will it have on the alleged savings to the Exchequer if large numbers of companies decide to contract their schemes back into SERPS, as many of them will because it is in their interests to do so? Above all, how can it be justified to consign millions of low-paid workers — women, long-term sick and disabled and those who care for them — to poverty in retirement, as will be the inevitable result of abolishing SERPS, when the Government's Social Security Advisory Committee had this to say about the future of SERPS:

"At this distance in time we do not think there can be solid grounds for altering the scheme now for fear of all the worst outcomes occurring steadily for 40 years."?

In trying to give a veneer of respectability to this operation candle-end, intermingled with some really damaging cuts, the Secretary of State has tried to wrap himself in the mantle of Beveridge. A more bizarre garb for him it is difficult to imagine. To compare Beveridge with Fowler is to confuse the Samaritan with the thieves he fell among. There is no political mandate for these proposals. Not a word was whispered about them in the last Tory manifesto. As my hon. Friend the Member for Pontypridd (Mr. John) pointed out, there has been no consultation with Opposition Members, and the consultation period is far too short. The polls show that most of the proposals are repudiated by the electorate, in some cases by large majorities.

The proposals carry no moral or political legitimacy. They have none of the social vision of the real Beveridge. The general election will consign them to the dustbin of history. It will be left to a Labour Government, whom the British people know genuinely believe in the welfare state, to produce a new and better vision of security, with dignity and without a means test, which was always the ideal of the Beveridge revolution.

9.40 pm

The Minister for Social Security (Mr. Tony Newton): I must first ask whether the proposals which the hon. Member for Oldham, West (Mr. Meacher) brought before the House about two months ago are already in the dustbin of history. Not surprisingly we have not heard them repeated tonight. [HON. MEMBERS: "Answer the debate."] I shall answer the debate. *[Interruption.]*

Mr. Speaker: Order. I ask the House to give the Minister a chance. He has hardly been speaking for a minute.

Mr. Newton: I could not refrain from commenting on what appears to be the fastest movement from printing to dustbin in history.

This has been a genuinely important debate for two reasons. First, as my hon. Friend the Member for Eastleigh (Sir D. Price) pointed out in a wry fashion, the Government are seeking to consult widely and fully on the Green Paper. I am sure that hon. Members will agree that it is appropriate that the House should have this early major opportunity to express its views on the Government's proposals. Secondly — this cannot be disguised, despite all the rhetoric from Opposition Members — the debate has been encouraging in that no one has seriously questioned the need for reform or that the Government have taken a proper initiative in looking at a system which no one believes is doing the job that we want it to do, and in seeking to focus attention on those problems and a solution.

It would be idle to pretend that the degree of consensus about the background to the problems in social security has been reflected in the debate by the views expressed by Opposition Members on some of the proposals. But even there, on an important question, which is basic to the whole of our welfare state, there is a degree of unanimity, which I welcome. It is the determination of both sides of the House — I emphasise this as being central to the Government's proposals — to maintain and protect the basic state national insurance retirement pension as the

foundation of our provision for people in their old age. That has been demonstrated again in practice today by the uprating that the Government have announced, and restated firmly in the Green Paper as the basis of our policy.

The difference between us comes in our view of how that basic state provision should be topped up or added to in providing additional pensions for people's retirement. The Labour party's position, as defined in the debate, is to defend a position that no one else, either in the House or, as far as I can judge, in the country, believes is tenable——

Mr. Corbett: Rubbish. It is only the hon. Gentleman's advisers who are saying that.

Mr. Newton: I shall take up that point. It is inaccurate to say——

Mr. Corbett: That is not true.

Mr. Newton: Perhaps the hon. Gentleman will allow me to answer his first question before even dodging the reply. It is simply untrue that all the advisers on the Government inquiry into retirement take the view that has been attributed to them. That is clear to anybody who knows them. The Labour party takes the position of defending the existing SERPS structure. The alliance, as I understand it—is not entirely clear whether its policy reflects an agreement between both parts of the alliance, but it was represented by what the right hon. Member for Plymouth, Devonport (Dr. Owen) said—is in favour, to put it bluntly, of a policy of cutting the benefits and putting nothing in their place.

The Government's policy on SERPS is to develop the partnership between the state and the individual, a partnership that was central to the Beveridge report in a new and fruitful way. My right hon. Friend gave the figures in his speech, which have led us to the conclusion that the new development in place of the present arrangement for SERPS in the longer run is required. I shall not attempt to repeat them now.

Neither the Leader of the Opposition in his opening speech nor the hon. Member for Oldham, West (Mr. Meacher) in his closing speech appeared to dispute the figures that my right hon. Friend gave. Indeed, they did not seriously discuss them. My right hon. Friend gave the figures of the projections that have been made by the Government Actuary's department of the prospective cost of SERPS on various assumptions at various periods until the first third of the next century. Those figures were not seriously disputed by the right hon. Gentleman or his hon. Friend. Indeed, as I said, they were not seriously discussed. The Leader of the Opposition simply sought to deluge them with words.

The Leader of the Opposition gave estimates for the contribution levels that would be required to pay for SERPS around the year 2033. He suggested that about a 2 per cent. contribution increase might accommodate the bills that would be building up. His estimates are far-fetched compared with the estimates that he can read in the Government Actuary's report published for the pensions inquiry, showing what the case might be on the most difficult assumptions, when there might be up to a 10 per cent. increase in national insurance contributions.

Mr. Robert C. Brown (Newcastle upon Tyne, North): The Minister misses the extremely serious point that is at issue. If, 10 years ago, the Government Actuary and all the parties in the House agreed a scheme that was tenable for the next 50 years, what confidence will the British public have in any scheme that the hon. Gentleman and his right hon. Friend the Secretary of State put forward in the future?

Mr. Newton: As my right hon. Friend the Secretary of State made clear in his speech, the factor that has forced itself on the Government's intention is that the estimates and assumptions on which the decisions about SERPS were based——

Mr. Corbett: That was not said 18 months ago.

Mr. Newton: Because 18 months ago the data from the 1981 census were not available. *[Interruption.]* It is no good Opposition Members disputing the fact that the estimates on which the decisions about SERPS were based in 1975 reflected an estimate of the number of pensioners in the early part of the next century 1 million less than — *[Interruption.]* If they were all alive, and if the Labour Government knew what would happen, why did they not publish the figures at the time? *[Interruption.]*

Mr. Speaker: Order. The debate is becoming disorderly. As far as I know, those addressing the Minister from a sedentary position did not take part in the debate.

Mr. Newton: We now know that there will be 1 million more pensioners in the early part of the next century than was known, let alone said, in 1975. By about the middle of the next century—2033 to be precise—there will be 4 million pensioners more than we have to provide for now.

As my hon. Friend the Member for Eastleigh made clear, the projections that relate to the ratio of contributors to pensioners, reflecting the absence of any improvement in the birth rate in the intervening period, suggests a steady decline to that point in time of the number of contributors in relation to the number of pensioners. The Labour party may wish to ignore those figures. I accept that the alliance recognises that there is a real problem.

The Government believe that it would be wrong to ignore the new evidence which has come to light during the course of the analysis of the inquiry. There are three reasons for that—first, knowingly to place on the next generation a burden that we cannot be sure they can afford is not an act of responsible government. Secondly, and perhaps more important, unless we can be sure that the promises we are making to pensioners can be fulfilled, it is wrong to let people go on for 30 or 40 years building up expectations that may not be fulfilled when the time comes.

Mr. Kinnock: If the hon. Gentleman is arguing that it is only possible to make provision by extending the private sector and diminishing SERPS, can he tell us how the private sector will meet all those new obligations, especially as the most obvious place for investment is in index-linked gilts introduced by the Secretary of State, which is precisely where the Government could be investing any surpluses that they collect from SERPS?

Mr. Newton: But the Government do not collect surpluses, and that is the point—*[Interruption.]*

Mr. Speaker: Order. I am sure that the House wishes to hear the answer to the right hon. Gentleman important question.

Mr. Newton: If, as we now know, the Leader of the Opposition does not even realise that the present state pension scheme is a pay-as-you-go scheme, it is no wonder that the Labour party is in a mess. The right hon. Gentleman has committed a masterpiece of building a monumental brick without straw and then dropping it on his own feet. The Government are not prepared to seek to maintain a system——

Mr. Kinnock: Come on, answer the question.

Mr. Newton: I have answered the right hon. Gentleman. *[Interruption.]* I can wait for Opposition Members to listen. The trouble with the right hon. Gentleman's question is that it shows that he does not know what he is talking about. And if he does not know what he is talking about, no wonder the pensioners of the future cannot rely on his promises.

What the Government are proposing faces up to the realities of the projections that we have for the number of pensioners and the ratio of contributors; recognises that it would be irresponsible to continue to make promises that we cannot guarantee that our children will be able to fulfil; and puts in place a structure that we believe can sustain pensioners in the future, with a promise on which they can really rely.

The Leader of the Opposition has recognised the mistake he has made in what he said. We now want him to recognise that the policy that he is proposing is unsustainable and that it is time that the Labour Government — [HON. MEMBERS: "Hear, hear."] — the Labour party——

Mr. David Winnick (Walsall, North): It will be the Labour Government in two or three years from now.

Mr. Newton: It is time that the Labour party faced up to its responsibilities.

The question put by the Leader of the Opposition revealed more clearly than ever what has come through in the speeches of the right hon. Gentleman and his hon. Friend the Member for Oldham, West in this debate, that they have absolutely nothing constructive to say about the policy that is required to sustain the social security system in Britain today. Not a constructive word have we heard throughout the debate from them. We have had torrents of rhetoric from the right hon. Gentleman and one extravagant adjective after another from the hon. Member for Oldham, West.

What has been the contribution to the debate of the hon. Member for Oldham, West? It has been to complain that the Government have not done everything that their advisers advised. But the Opposition do not even do what their spokesman on social security advises — *[Interruption.]*—and when we ask Labour Members what they would do and what their view is of our proposals we get no answer. When we ask them what their proposals are, we get no answer. When the Leader of the Opposition was asked on the radio recently to give his figures, he replied, "I will not give figures that will not be known for two or three years."

Mr. Kinnock: What about the Government's figures?

Mr. Newton: Let us have the figures for the Labour alternative.

Mr. Kinnock: Now answer the question: what are the Government's figures?

Mr. Newton: I will give the right hon. Gentleman the answer. When we have settled the structure that we propose, we will give the figures to illustrate the consequences. When we give our figures, perhaps we shall have the right hon. Gentleman's figures and, for the first time, a serious contribution to the debate from the Labour party.

Question put, That the amendment be made:—

The House divided: Ayes 178, Noes 335.

Division No. 241] [10.00pm

AYES

Abse, Leo	Foot, Rt Hon Michael
Anderson, Donald	Foster, Derek
Archer, Rt Hon Peter	Foulkes, George
Ashley, Rt Hon Jack	Fraser, J. *(Norwood)*
Ashton, Joe	Garrett, W. E.
Atkinson, N. *(Tottenham)*	George, Bruce
Bagier, Gordon A. T.	Gilbert, Rt Hon Dr John
Banks, Tony *(Newham NW)*	Godman, Dr Norman
Barnett, Guy	Golding, John
Barron, Kevin	Gould, Bryan
Beckett, Mrs Margaret	Gourlay, Harry
Bell, Stuart	Hamilton, James *(M'well N)*
Benn, Tony	Hardy, Peter
Bennett, A. *(Dent'n & Red'sh)*	Harman, Ms Harriet
Bermingham, Gerald	Hart, Rt Hon Dame Judith
Bidwell, Sydney	Hattersley, Rt Hon Roy
Blair, Anthony	Healey, Rt Hon Denis
Boothroyd, Miss Betty	Heffer, Eric S.
Boyes, Roland	Hogg, N. *(C'nauld & Kilsyth)*
Bray, Dr Jeremy	Home Robertson, John
Brown, Gordon *(D'f'rmline E)*	Howell, Rt Hon D. *(S'heath)*
Brown, Hugh D. *(Provan)*	Hoyle, Douglas
Brown, N. *(N'c'tle-u-Tyne E)*	Hughes, Dr. Mark *(Durham)*
Brown, R. *(N'c'tle-u-Tyne N)*	Hughes, Robert *(Aberdeen N)*
Brown, Ron *(E'burgh, Leith)*	Hume, John
Buchan, Norman	Janner, Hon Greville
Caborn, Richard	John, Brynmor
Callaghan, Rt Hon J.	Kilroy-Silk, Robert
Campbell, Ian	Kinnock, Rt Hon Neil
Carter-Jones, Lewis	Lambie, David
Clark, Dr David *(S Shields)*	Lamond, James
Clarke, Thomas	Leadbitter, Ted
Clay, Robert	Leighton, Ronald
Clwyd, Mrs Ann	Lewis, Ron *(Carlisle)*
Cocks, Rt Hon M. *(Bristol S.)*	Lewis, Terence *(Worsley)*
Cohen, Harry	Litherland, Robert
Concannon, Rt Hon J. D.	Lloyd, Tony *(Stretford)*
Cook, Frank *(Stockton North)*	McCartney, Hugh
Cook, Robin F. *(Livingston)*	McDonald, Dr Oonagh
Corbett, Robin	McGuire, Michael
Corbyn, Jeremy	McKay, Allen *(Penistone)*
Cowans, Harry	McKelvey, William
Cox, Thomas *(Tooting)*	MacKenzie, Rt Hon Gregor
Craigen, J. M.	McNamara, Kevin
Crowther, Stan	McTaggart, Robert
Cunliffe, Lawrence	McWilliam, John
Cunningham, Dr John	Madden, Max
Davies, Rt Hon Denzil *(L'lli)*	Martin, Michael
Davies, Ronald *(Caerphilly)*	Mason, Rt Hon Roy
Davis, Terry *(B'ham, H'ge H'l)*	Maxton, John
Deakins, Eric	Maynard, Miss Joan
Dewar, Donald	Meacher, Michael
Dobson, Frank	Michie, William
Dormand, Jack	Mikardo, Ian
Douglas, Dick	Millan, Rt Hon Bruce
Duffy, A. E. P.	Miller, Dr M. S. *(E Kilbride)*
Eastham, Ken	Morris, Rt Hon A. *(W'shawe)*
Edwards, Bob *(W'h'mpt'n SE)*	Morris, Rt Hon J. *(Aberavon)*
Ellis, Raymond	Nellist, David
Evans, John *(St. Helens N)*	Oakes, Rt Hon Gordon
Ewing, Harry	O'Brien, William
Fatchett, Derek	O'Neill, Martin
Faulds, Andrew	Orme, Rt Hon Stanley
Field, Frank *(Birkenhead)*	Park, George
Fields, T. *(L'pool Broad Gn)*	Parry, Robert
Fisher, Mark	Patchett, Terry

Pavitt, Laurie
Pendry, Tom
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Rooker, J. W.
Rowlands, Ted
Ryman, John
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Smith, Rt Hon J. *(M'kl'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Stewart, Rt Hon D. *(W Isles)*
Stott, Roger
Strang, Gavin
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thomas, Dr R. *(Carmarthen)*
Thorne, Stan *(Preston)*
Tinn, James
Wardell, Gareth *(Gower)*
Wareing, Robert
Welsh, Michael
White, James
Wigley, Dafydd
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Woodall, Alec
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Frank Haynes and
Mr. Don Dixon.

NOES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Amery, Rt Hon Julian
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Benyon, William
Best, Keith
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, John
Body, Richard
Bonsor, Sir Nicholas
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Buchanan-Smith, Rt Hon A.
Buck, Sir Antony
Budgen, Nick
Burt, Alistair
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Cash, William
Chalker, Mrs Lynda
Channon, Rt Hon Paul
Chope, Christopher
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Cope, John
Cormack, Patrick
Couchman, James
Cranborne, Viscount
Critchley, Julian
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
du Cann, Rt Hon Sir Edward
Dunn, Robert
Durant, Tony
Dykes, Hugh
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Goodhart, Sir Philip
Goodlad, Alastair
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, John Selwyn
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, Sir Paul *(SW N'folk)*
Hawksley, Warren
Hayhoe, Rt Hon Barney
Hayward, Robert
Heath, Rt Hon Edward
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Heseltine, Rt Hon Michael
Hickmet, Richard
Hicks, Robert
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(N Norfolk)*
Hubbard-Miles, Peter
Hunt, John *(Ravensbourne)*
Jackson, Robert
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kershaw, Sir Anthony
Key, Robert
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knight, Gregory *(Derby N)*
Knowles, Michael
Knox, David
Lamont, Norman
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Luce, Richard
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McNair-Wilson, P. *(New F'st)*
Madel, David
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Miscampbell, Norman
Mitchell, David *(NW Hants)*
Moate, Roger
Montgomery, Sir Fergus
Moore, John
Morris, M. *(N'hampton, S)*
Morrison, Hon C. *(Devizes)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Normanton, Tom
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Parris, Matthew
Patten, J. *(Oxf W & Abdgn)*
Pattie, Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Prior, Rt Hon James
Proctor, K. Harvey
Pym, Rt Hon Francis
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Malcolm
Rippon, Rt Hon Geoffrey
Roberts, Wyn *(Conwy)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Ryder, Richard

Sackville, Hon Thomas
Sainsbury, Hon Timothy
St. John-Stevas, Rt Hon N.
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Silvester, Fred
Skeet, T. H. H.
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spencer, Derek
Spicer, Jim *(W Dorset)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Sumberg, David
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Thatcher, Rt Hon Mrs M.
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Trippier, David
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Walden, George
Walker, Bill *(T'side N)*
Walker, Rt Hon P. *(W'cester)*
Walters, Dennis
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watson, John
Watts, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Noes:
Mr. Robert Boscawen and
Mr. Carol Mather.

Question accordingly negatived.
Main Question put:—
The House divided: Ayes 335, Noes 196.

Division No. 242] **[10.13 pm**

AYES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Amery, Rt Hon Julian
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Benyon, William
Best, Keith
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, John
Body, Richard
Bonsor, Sir Nicholas
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Buchanan-Smith, Rt Hon A.
Buck, Sir Antony
Budgen, Nick
Burt, Alistair
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Cash, William
Chalker, Mrs Lynda
Channon, Rt Hon Paul
Chope, Christopher
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Cope, John
Cormack, Patrick
Couchman, James
Cranborne, Viscount
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
du Cann, Rt Hon Sir Edward
Dunn, Robert
Durant, Tony
Dykes, Hugh
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Goodhart, Sir Philip
Goodlad, Alastair
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, John Selwyn
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, Sir Paul *(SW N'folk)*
Hawksley, Warren
Hayhoe, Rt Hon Barney
Hayward, Robert
Heath, Rt Hon Edward
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Heseltine, Rt Hon Michael
Hickmet, Richard
Hicks, Robert
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(N Norfolk)*
Hubbard-Miles, Peter
Hunt, John *(Ravensbourne)*
Jackson, Robert
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kershaw, Sir Anthony
Key, Robert
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knight, Gregory *(Derby N)*
Knowles, Michael
Knox, David
Lamont, Norman
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Luce, Richard
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McNair-Wilson, P. *(New F'st)*
Madel, David
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Miscampbell, Norman
Mitchell, David *(NW Hants)*
Moate, Roger
Montgomery, Sir Fergus
Moore, John
Morris, M. *(N'hampton, S)*
Morrison, Hon C. *(Devizes)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Normanton, Tom
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John

Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Parris, Matthew
Patten, J. *(Oxf W & Abdgn)*
Pattie, Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Prior, Rt Hon James
Proctor, K. Harvey
Pym, Rt Hon Francis
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Malcolm
Rippon, Rt Hon Geoffrey
Roberts, Wyn *(Conwy)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
St. John-Stevas, Rt Hon N.
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Silvester, Fred
Skeet, T. H. H.
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spencer, Derek
Spicer, Jim *(W Dorset)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Sumberg, David
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Thatcher, Rt Hon Mrs M.
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Trippier, David
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Walden, George
Walker, Bill *(T'side N)*
Walker, Rt Hon P. *(W'cester)*
Walters, Dennis
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watson, John
Watts, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Ayes:
Mr. Carol Mather and
Mr. Robert Boscawen.

NOES

Abse, Leo
Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Ashley, Rt Hon Jack
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Bell, Stuart
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Rt Hon J.
Campbell, Ian
Carlile, Alexander *(Montg'y)*
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Concannon, Rt Hon J. D.
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Cunningham, Dr John
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Douglas, Dick
Duffy, A. E. P.
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Ellis, Raymond
Evans, John *(St. Helens N)*
Ewing, Harry
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Foot, Rt Hon Michael
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
Freud, Clement
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Golding, John
Gould, Bryan
Gourlay, Harry
Hamilton, James *(M'well N)*
Hancock, Mr. Michael
Hardy, Peter
Harman, Ms Harriet
Hart, Rt Hon Dame Judith
Hattersley, Rt Hon Roy
Healey, Rt Hon Denis
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Home Robertson, John
Howell, Rt Hon D. *(S'heath)*
Hoyle, Douglas
Hughes, Dr. Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Hume, John
Janner, Hon Greville
Jenkins, Rt Hon Roy *(Hillh'd)*
John, Brynmor
Kennedy, Charles
Kilroy-Silk, Robert
Kinnock, Rt Hon Neil
Kirkwood, Archy
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
McCartney, Hugh
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
McKelvey, William
MacKenzie, Rt Hon Gregor
Maclennan, Robert
McNamara, Kevin
McTaggart, Robert
McWilliam, John
Madden, Max
Martin, Michael
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Meadowcroft, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Owen, Rt Hon Dr David
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Rooker, J. W.
Ross, Stephen *(Isle of Wight)*
Rowlands, Ted
Ryman, John
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Smith, Rt Hon J. *(M'kl'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Stewart, Rt Hon D. *(W Isles)*
Stott, Roger
Strang, Gavin
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thomas, Dr R. *(Carmarthen)*
Thorne, Stan *(Preston)*
Tinn, James
Wainwright, R.
Wallace, James
Wardell, Gareth *(Gower)*
Wareing, Robert
Welsh, Michael
White, James
Wigley, Dafydd
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Woodall, Alec
Wrigglesworth, Ian
Young, David *(Bolton SE)*

Tellers for the Noes
Mr. Frank Haynes and
Mr. Derek Fatchett.

Question accordingly agreed to.

Resolved,

That this House welcomes the Government's Green Paper, Reform of Social Security, Cmnd. 9517-9; and endorses the Government's aims of achieving a better social security system which would direct help to the people who need it most, make the benefit system simpler to understand and run, base pensions on a partnership between the state and individuals, and put social security on a sound basis which the country can afford.

EUROPEAN LEGISLATION

Ordered,

That Mr. Bryan Gould be discharged from the Select Committee on European Legislation and Mr. Roland Boyes be added to the Committee.—*[Mr. Lennox-Boyd.]*

Smith Houses (West Bromwich)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Lennox-Boyd.]*

10.27 pm

Miss Betty Boothroyd (West Bromwich, West): I want to begin this evening by congratulating the Parliamentary Under-Secretary, who I believe is to respond to my Adjournment debate. I understand that this is his 110th Adjournment debate since he first became a Minister. I have to say to him that, unless his Department is more conciliatory in amending the Housing Defects Act 1984, it will probably be his 510th Adjournment debate by the end of this parliamentary Session.

Late last week I met about 250 constituents in West Bromwich. All of them are owners of Smith houses. All of them bought their houses in good faith. Some of those families bought their houses many years ago under local schemes; others bought more recently under the Government's right to buy.

The one feeling all Smith owners have in common is the deep sense of injustice at the Government's refusal to put Smith-built properties in the Housing Defects Act, and they expressed to me, as they have done over very many months, their worries and their concerns about their future and the life savings which have gone into investing in home ownership.

Housing problems are not new to those of us in West Bromwich. The council has been crippled by savage reductions in its housing investment programme over the years. At a time when there are some 6,000 families waiting to be housed or rehoused, the authority is not even allowed to spend its own income from the sale of houses to make provision for these families. The last thing that we need in West Bromwich is to exacerbate an already poor situation, yet that is what the Minister has done.

In West Bromwich, West, my constituency, 189 families own Smith houses. Some 650 are left in council ownership. In the borough of Sandwell as a whole, there are 1,086 Smith properties, of which 273 are privately owned.

In referring to defective housing, the Minister for Housing and Construction spoke of the findings of the Building Research Establishment and the difficult position in which owners would find themselves. In November 1983, he said:

> "The Government have decided to introduce early legislation to provide a scheme of assistance to private owners of houses sold by the public sector and since found to be defective or potentially defective."—[*Official Report*, 10 November 1983; Vol. 48, c. 420-1.]

That statement gave a ray of hope. It was especially reassuring a month later when the report concluded that Smith houses suffer from some defects. The Minister for Housing and Construction confirmed that conclusion to me by letter only last month.

Let me make it clear that I am not referring to the shale-filled houses in Birmingham. There are no shale-filled properties in Sandwell. I am speaking of constituents who own Smith houses, some of which exhibit defects because of cracking between wall units, which is due to changes in temperature and humidity, or some which may be found to be potentially defective.

But the hope that the Minister inspired faded when owners found that their homes were not to be included in the legislation and they were not to receive equal treatment

with others in the same position. Tonight, I wish to direct the Minister's attention to his legislation and to show where I believe that, under two criteria to be met under section 1 of the Act, he is failing in his duty. Subsection (*a*) gives the Secretary of State powers to designate if

"buildings . . . are defective by reason of their design or construction."

That language is plain enough. The Building Research Establishment's findings conclude that Smith houses suffer from some defects, and the Minister confirmed that. Yet, despite all that, the Minister consistently refuses to enact his own legislation and include those buildings in the national scheme.

The second criterion to which I wish to draw the Minister's attention lies in subsection (*b*). That empowers him to designate when defects,

"having become generally known, the value of some"—

the word "some" is the operative word—

"or all of the dwellings concerned has been substantially reduced."

I am delighted that not all properties have been substantially reduced in value, but some have. Therefore, the criterion that some of them have been affected is met. It is implicit in the BRE report and the Minister's acknowledgement, and it is now for him to operate the Act in favour of Smith homes.

May I put to the Minister the position in relation to building societies. To be consistently denied the assistance of the national scheme has caused some building societies, as I am sure the Minister is aware, to refuse lending facilities. The attitude of some major lending institutions —indeed, the attitude of the West Bromwich building society itself—is blighting by reputation the value of even reasonably adequate property, and it is causing great distress to those owners. Real human problems exist because of the refusal of mortgage loans.

The Minister for Housing and Construction was not at all helpful when he wrote to me only a few weeks ago, saying that lending is a matter in which he cannot intervene. I remind him that he has had discussions with the Building Societies Association on other occasions about such matters, and I remind him that a Minister for Housing in a previous Labour Government intervened firmly with the building societies at one stage. If it could be done on earlier occasions, he can do so now. It is not a matter from which he can remain aloof. He must seek the co-operation of the building societies now, and he must restore lost confidence through an approved national scheme.

Why does the Minister insist that this is a local issue to be left to local councils to deal with? It is not a local issue. The Minister's answers to my questions, and to questions from some of my hon. Friends, show that Smith houses exist in a dozen areas of the country. We know that the BRE report showed that approximately 4,500 such houses have been built. The families who have bought those houses cannot be dealt with by a different, fragmented approach whereby each local authority is left to determine its response to reinstatement grants. It is a national problem, and it is incumbent on the Minister to acknowledge the scale of the problem and not to abnegate responsibility, which I believe he is doing.

Where is the answer that I give to my constituents for whom reinstatement grants are insufficient to meet their need and who require the council to repurchase the property? As the Minister knows, repurchase of the property would have to be done without recompense. What practical help do I offer to a young couple, encouraged by the Government under the right to buy, who did buy? Subsequently the husband lost his job. He followed another Minister's advice, got on his bike and found a job—he was one of the lucky ones—100 miles away. His wife told me last week that their marriage is on the rocks because of the long separation caused because she cannot sell the house and join her husband, who is in lodgings earning a living elsewhere.

What am I to tell solicitors wo are dealing with delicate family matters where Smith property has to be disposed of and there are no buyers? How does the Minister suggest I respond to elderly couples who bought their homes some 20 years ago in good faith, with the dream of spending their retirement in greener surroundings, and who want to move from the industrialised area in which they have lived all their lives? They are heartbroken because they cannot sell their homes and move, as they had always planned.

None of these people can sell their adequately sound property because that property has become clouded by reputation. It is for the Government to lift that cloud. Sandwell council cannot do it. It cannot repurchase under the present provisions with no recompense. Even if it tried to do so, it would cost something like £3 million and would swallow nearly a quarter of my council's housing investment allocation.

It is for the Minister to understand the human problems that this is causing. The Minister for Housing and Construction may have found on his desk this morning representations from me asking him to meet some of those constituents—not all 250 of them, of course—that I met only last week. I have asked him to meet a deputation of them. I hope that he will respond positively and see them within the next few weeks.

Let me just remind the Minister that even in the days of full employment in my area of the Black Country it was never an area of high wages. People did not have money to throw about. Those who managed to save put those savings into home ownership. Today there are wards in my constituency of West Bromwich where Smith houses exist and have been bought by people, and where now 22 per cent. of the working population is out of a job. Many of those people who have been made redundant put their redundancy money into investment in their homes. Why should they now be denied the advantages offered to others under the Act?

All I am asking is that the Minister should deal with them even-handedly and that the national scheme be made available to those who own Smith properties, because the same position obtains. Surely the Minister must accept that natural justice demands to be done, and I want no less for those people I represent.

10.39 pm

The Parliamentary Under-Secretary of State for the Environment (Sir George Young): The hon. Member for West Bromwich, West (Miss Boothroyd) has spoken movingly about the problems facing a number of her constituents who bought Smith houses from the local authority. They now face a range of problems because they find that they cannot sell them because the purchaser cannot obtain a mortgage.

One cannot feel anything but sympathy for the case that the hon. Lady mentioned of the husband who has found a job elsewhere and whose family cannot join him because

[Sir George Young]

of difficulty in selling the family home. I hope that some of the things that I say about the role of the building societies will be of help to that couple. The hon. Lady also asked whether I would meet a deputation of tenants. I wonder whether she meant tenants, because during most of her remarks she was speaking about owner-occupiers.

Miss Boothroyd *indicated assent.*

Sir George Young: I understand that the hon. Lady meant the owner-occupiers. I have not seen the letter that she mentioned, but I hope to respond positively.

I wish to put the problem into a broad perspective. Until the Government introduced the Housing Defects Act 1984, there was no protection for anyone who had bought a house from a local authority or a public body and who found, through no fault of his or hers, that its value had depreciated. I believe that the hon. Lady commends what we did in that Act. Her complaint is that we have not extended the provisions of clause 1 to the owners of Smith houses, who are mainly in the west Midlands but also in south Wales. The Government of course understand the problems and we should like to do what we can to to help.

On 25 May last year, my hon. Friend the Minister for Housing and Construction visited Birmingham where most of the publicly and privately owned Smith houses are located. He saw at first hand the problems facing all Smith house owners and discussed them with the owners. He also met hon. Members representing Birmingham constituencies, and city officials.

We are well aware of the problems facing Smith house owners in other areas, including Sandwell, and we are grateful to those hon. Members who have kept us closely informed on the subject of Smith houses in their areas. My Department's regional office is in regular contact with officers from Sandwell borough council and has visited a number of the council's estates, including one with Smith houses on which the authority is undertaking a programme of repairs. However, it is fair to say that the houses in Birmingham, as the hon. Lady admitted, have special problems happily not replicated in Sandwell, which I shall try to explain in the course of the debate.

I shall begin by trying to clear up one or two misunderstandings about Smith houses. I should like to take the opportunity to repeat that the problems which have arisen in Smith houses are not the same as those identified in prefabricated reinforced concrete houses designed before 1960, which are, as far as we are aware, the only houses known to meet the criteria for designation under section 1 of the Housing Defects Act 1984.

About 4,500 Smith houses were built in England and Wales, and they can be found not just in the hon. Lady's constituency at Sandwell, and in Birmingham but also in other areas of the west and east Midlands, and in south Wales.

The Smith house presents the appearance of a conventional brick house but is in fact built of large concrete blocks. Although some steel was placed in the blocks for handling purposes, that is structurally redundant. The construction is therefore different from those prefabricated reinforced concrete dwellings designed before 1960 and designated under section 1 of the Housing Defects Act 1984.

Following reports of cracking in the walls and floors in some houses, the Building Research Establishment was asked to investigate Smith houses. As part of its investigation it inspected in detail three houses in the city of Birmingham, and one house each in Cardiff, Erewash and Amber Valley, and examined a further 25 houses in those areas.

The BRE's report on the structural condition of Smith houses was published in December 1983, and it concluded that they suffer from some defects. Since construction, the large concrete blocks will have been subject to continuous movement with changes in temperature and humidity, and most Smith houses show some cracking at the junctions between the blocks and between external and partition walls. Although that may be unsightly, it should present no risk to the stability of the house if repairs which may from time to time be necessary are carried out properly.

So far as my Department knows, those movements have not led to any failure. Corrosion of the steel placed in the blocks for handling purposes could cause local cracking in the blocks, but again there is no evidence to suggest that that will lead to serious structural damage.

The BRE also found that some, but not all, Smith houses in the city of Birmingham are seriously defective because of the use of shale fill in their foundations. As far as is known, shale fill was used in Smith houses only in Birmingham, and the consequent defects are not inherent in Smith houses in Sandwell or in any other areas, as the hon. Lady said.

Designation entitles owners of the houses concerned to seek financial assistance by way of a grant towards the repair of the houses or, in certain cases, by repurchase. Under the Housing Defects Act 1984, dwellings may be designated for assistance only if, as a class, they are defective by reason of their design or construction and, by reason of the defects becoming generally known, they have suffered a substantial loss in value. Under section 1, a designation by the Secretary of State must include all houses of the type concerned in the country.

The second condition is the source of difficulty. Although some Smith houses in the city of Birmingham have suffered a substantial fall in value, my Department has no evidence that this is true of Smith houses in the country generally. If the hon. Lady is able to collect any evidence, which she can make available to my Department, that section 1(1)*(b)* is also true—that the value of some or all of the dwellings concerned has been substantially reduced — we shall consider the matter afresh. At the moment we do not have that evidence, which is why we maintain that my right hon. Friend should not designate Smith houses under section 1. The problem is different in Birmingham, where there is a serious problem resulting from shale fill. A local estate agent or residents association might be able to collect the evidence.

As for local designation, under section 12 it is open to local authorities to designate dwellings in their area, subject to the Secretary of State's approval, if they are satisfied that they meet the criteria which I have mentioned. This will help when there are local problems such as those experienced in Birmingham. If a local authority decides to designate Smith houses in its area, owners who are eligible will be entitled to assistance in the same way as they would be when a designation is made by the Secretary of State. It was not quite clear from what the hon. Lady said whether the local authority intends to apply for designation under section 12. Perhaps she wants to pursue that matter with the local authority.

Mortgageability is at the heart of the problem. Having listened to the hon. Lady, I understand the problems that owners of Smith houses are having. I understand that some building societies in the west midlands are prepared to lend on Smith houses, subject to a satisfactory structural report. I hope that that will ease some of the problems being faced by the hon. Lady's constituents, not least the couple she mentioned. I hope that, subject to a structural survey and, if necessary, some part of the advance being retained until any necessary repairs had been done, societies would be prepared to treat Smith houses like any other property offered as security for a mortgage loan.

I regret that other societies are not prepared to lend at all on this type of house. Although lending is a matter for the societies concerned and not one in which the Government intervene directly, I must say that I was disappointed to learn of the attitude which some building societies have adopted in respect of dwellings of non-traditional design. If the hon. Lady is able to let me see letters from building societies which have been contacted by her constituents and which flatly turn down any advance on Smith houses, I shall look at them and see if any pressure might be brought to bear discreetly on building societies to reconsider.

I am anxious that the problems associated with the pre-1960 PRC types which I have mentioned may have blighted other types of construction. It is important to re-emphasise that the types are distinct. The problems found in Smith houses in Birmingham should not lead building societies to cease lending on Smith houses generally.

The hon. Lady mentioned resources available to local authorities and said that Sandwell does not have the financial resources necessary to help owners of properties already designated under the Housing Defects Act or any future designation of Smith houses. She is aware of the system of Exchequer contributions to local authority expenditure under the Housing Defects Act.

In respect of the reinstatement grants, whether in pursuance of a designation made nationally or locally, the contribution is 90 per cent. of the annual loan charges on the amount of the grant. In respect of repurchase in pursuance of a designation made nationally by the Secretary of State, the contribution will generally be 75 per cent. of the price paid by the authority for the acquisition of the dwelling, plus any amount reimbursed to the owner for legal costs. Where the property was previously sold by another public authority and not the local authority which is repurchasing it, the percentage contribution will be increased to 100 per cent. However, there are no contributions towards expenditure on repurchasing dwellings in pursuance of a local designation by a local authority.

Regarding the allocation of resources, we took into account local authorities' expenditure under the Act when we made the housing investment programme allocations for 1985-86. Furthermore, my right hon. Friend the Secretary of State announced in the House on 13 March that he was prepared to consider sympathetically applications from local authorities which would have particular difficulty in meeting their obligations under the Housing Defects Act.

In general, authorities are expected, as usual, to order their priorities so as to discharge their commitments within the limits on their prescribed expenditure. But some authorities have argued that, because of other commitments, they cannot meet their obligations under the 1984 Act in 1985-86 within their total power to spend. In such cases, additional allocations will be considered to cover some of the costs involved in repurchase or making reinstatement grants during 1985-86. My Department has received more than 100 applications. Sandwell is one of the authorities which has submitted a bid for an additional allocation, and we shall give that careful consideration. We hope to come to a conclusion next month on how the applications will be processed. I can confirm that, on future expenditure, local authorities' expenditure under the Act will be fully taken into account in the HIP allocations.

The hon. Lady requested a meeting. When I have seen her letter, I hope to respond sympathetically, but before that meeting she may like to assemble some of the information that I have outlined, such as information on valuations on the properties and on the lending practices of building societies. If she comes armed with that, I shall see what I can do to help the constituents for whom she has spoken.

Question put and agreed to.

Adjourned accordingly at eight minutes to Eleven o'clock.

House of Commons

Wednesday 19 June 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

BERKSHIRE BILL *[LORDS]*

Order for Second Reading read.

To be read a Second time tomorrow.

Oral Answers to Questions

SCOTLAND

Paediatric Beds

1. **Mr. Robin Cook** asked the Secretary of State for Scotland what is the number of paediatric beds per thousand of client population which his Department uses as a yardstick in determining the adequacy of health provision.

The Parliamentary Under-Secretary of State for Scotland (Mr. John MacKay): There is no officially accepted target level of provision of designated paediatric beds, but I am satisfied that there is adequate provision of paediatric beds in Scotland as a whole. It is primarily for health boards to determine the pattern of provision in their own areas.

Mr. Cook: Is the Minister aware that, due to pressure on its forward budget, Lothian health board has now dropped the provision for a paediatric ward in the new hospital being built at Livingston? Is he further aware that one fifth of the population of Livingston are under the age of 10? Whatever the general standards employed, does the hon. Gentleman, as Minister responsible for the Health Service in Scotland, regard it as satisfactory to provide a new hospital which will not cater for such a large chunk of the local population? If not, will he give my constitutents an assurance that the new hospital will cater for their children?

Mr. MacKay: Phase 1 of the West Lothian district general hospital will provide about 400 beds, including a paediatric department of 26 beds. That project is now under construction and, as I understand it, there is no intention of altering the plans for phase 1.

Mr. Malone: I accept that this is a health board responsibility, but is my hon. Friend aware that in Aberdeen there is a surplus of paediatric beds but a need for neonatal care? Does he agree that it would be possible to reallocate resources in such a way as to meet that need?

Mr. MacKay: My hon. Friend is quite right. Health boards have to ensure that the facilities provided accord with current population and demand. The decrease in the child population means that there is undoubtedly an oversupply of paediatric beds in Scotland as a whole, but more beds are needed in certain sections.

Mr. Dalyell: Are the running costs available for the paediatric unit under construction in Livingston?

Mr. MacKay: The problem with the running costs——

Mr. Dalyell: Answer the question.

Mr. MacKay: I am about to do so. The problem of the running costs of the West Lothian district general hospital is more attendant on phase 2. As I have explained, phase 1 contains the paediatric unit and I understand that the running costs are available.

Mr. Bill Walker: Does my hon. Friend agree that the provisions made in Tayside, and particularly in Blairgowrie, where the cottage hospital has now become a community hospital, have achieved a sufficiency of paediatric beds and an increase in the number of geriatric beds?

Mr. MacKay: My hon. Friend is quite right. In relation to all kinds of hospitals, health boards must consider the total needs of patients in the area. One of the principal needs to which I draw the attention of health boards is the need to provide more geriatric beds.

Mr. Ewing: How can the Minister claim that there is an oversupply of beds in hospitals in Scotland when waiting lists and waiting time for admission are beginning to increase again? With regard to the paediatric department of the West Lothian district general hospital, if my hon. Friend the Member for Livingston (Mr. Cook) is correct, as I suspect he is, and the project has been dropped, although the Minister seems to think that it is going ahead, will the Minister instruct the health board to ensure that the paediatric unit is included?

Mr. MacKay: I have explained that phase 1 is already under construction and a paediatric unit of 26 beds is included in it. I also explained to the hon. Member for Livingston (Mr. Cook) that phase 1 can be run without phase 2 being on stream.

Housing Benefit

2. **Mr. Millan** asked the Secretary of State for Scotland what steps he is taking to give local authorities increased powers to deal with abuses of the housing benefit system.

The Secretary of State for Scotland (Mr. George Younger): The Government accept the housing benefit review team's recommendation that powers to prevent abuse of the housing benefit scheme should be strengthened. Our Green Paper proposes in particular that my right hon. Friend the Secretary of State for Social Services should have a reserve power to limit the level of rent eligible for housing benefit.

Mr. Millan: Is the Secretary of State aware that there are slum landlords in Glasgow and elsewhere who are letting out appalling properties at scandalously high rents to those on supplementary benefit? These rents are paid by district councils as agents for the Department of Health and Social Security. As the Government have abandoned their proposals to abolish the Rents Acts — their

abolition would make the abuses even greater—what justification can there be for denying Scottish local authorities a power which is available to English local authorities to initiate the fair rent procedure? The implementation of that procedure in Scotland would allow authorities to get at bad landlords and would save money for the public purse. Why cannot that action be taken?

Mr. Younger: I appreciate the problem that the right hon. Gentleman has raised. He will know that local authorities are already empowered under the housing benefit regulations to reduce benefits where they judge accommodation to be unnecessarily large or the rent to be unreasonably high when compared with other accommodation that is available in the area. I am advised that the powers that are available to English local authorities are comparatively rarely used. We are keeping the matter under close review and if it is necessary to take action we shall have to consult COSLA before embarking on the introduction of legislation.

Mr. Craigen: I find the Secretary of State's reply entirely unsatisfactory. When the Government are planning to cut housing benefit for the needy, how can the right hon. Gentleman permit the greedy to be able to abuse the present housing benefit system? The Opposition would assist in the passage of minor amending legislation to ensure that tenants are protected and that landlords are not allowed to abuse the system. Surely the right hon. Gentleman agrees that it is essential for local authorities in Scotland to have the right which English local authorities already have to apply for the rent officer to register a rent.

Mr. Younger: I can only assume that the hon. Gentleman did not hear my reply to the right hon. Member for Glasgow, Govan (Mr. Millan). There are two ways in which this wrong can be put right. First, a local authority can use its existing powers, as I have described, to limit the amount of benefit that is given where it considers that that is necessary. Secondly, tenants and their advisers have plenty of powers to demand the registration of a rent. They can demand the presence of the rent officer at any time that they wish to do so. They should be encouraged to use that right whenever they wish.

Rural Aid Fund

3. **Dame Judith Hart** asked the Secretary of State for Scotland what consideration he is giving to the proposal submitted to him for a rural aid fund.

Mr. Younger: My hon. Friend the Minister with responsibilities for industry and education is to meet the Convention of Scottish Local Authorities to discuss a proposal submitted by Strathclyde regional council for the creation of a rural aid fund for Scotland.

Dame Judith Hart: May one hope that if such a meeting takes place the prospects are somewhat hopeful? Is the Secretary of State fully aware—I know that the district council within his constituency is one of the authorities which have supported the proposal—of the importance of such a fund, given that so many rural areas have suffered considerable deprivations over the past 10 or 20 years and will suffer further deprivation under the Transport Bill when it is enacted? Does the right hon. Gentleman appreciate how valuable even a modest rural aid fund would be to restore and maintain many rural communities?

Mr. Younger: I appreciate the right hon. Lady's views on this issue. I can assure her that the consultation that we shall be having with Strathclyde regional council will be genuine. I look forward to hearing from my hon. Friend the details of the ideas put forward by the council. I appreciate that there is much concern about how we can help rural areas,. There is a vast array of powers available for helping rural areas, and large sums are directed specially to rural areas in many different ways. We must consider whether a rural aid fund would add significantly to the present powers. If so, would it be worth while to introduce such a fund?

Mr. Henderson: Is my right hon. Friend aware that the greatest need in a rural area is good transportation? In that context, the assistance that is to be made available as a result of the Transport Bill to encourage new developments in rural areas is much to be welcomed. Does my right hon. Friend agree that it would be helpful also to arrange for some focus on the passing of knowledge between those who carry out experiments in rural areas about new forms of transport which it may be possible to introduce following the Bill's enactment?

Mr. Younger: Yes. I agree entirely with my hon. Friend that the special arrangements that are being written into the provisions for transport in rural areas reflect clearly the high priority that the Government give to ensuring that rural areas are properly looked after. There has been a vast increase in the subsidies to the Highlands and Islands ferry service. That is only one example of many of the special aids that are given to rural areas.

Mr. Donald Stewart: Will the right hon. Gentleman accept that one of the most damaging actions to rural areas is the slashing of agricultural advisory services by 41 per cent.? If the English Minister of Agriculture, Fisheries and Food does that, does the Secretary of State for Scotland have to pursue the same line like a puppy dog?

Mr. Younger: We are still consulting all interests concerned as to how best to change those services. However, I never expected the right hon. Gentleman to complain. The integrated development programme, which is more than half funded by the Government, is pouring vast sums into his area in every way. I should have thought that the right hon. Gentleman would express some thanks for that.

Mr. Forth: Is my right hon. Friend not concerned that, following demands for urban and rural aid, the next demand will be for suburban aid? Is he not worried that, although many people now demand aid, the money has long since run out and we shall not be able to find any more resources with which to meet their demands?

Mr. Younger: My hon. Friend is perfectly correct, in that as long as funds are limited we must ensure that they are targeted towards the most important areas. This Government have added to the aid for urban areas, and that aid is used extensively. We have new schemes for the rural areas, including the programme for regional industrial development and the development of rural area workshops scheme, both of which have recently been introduced to give extra help to rural areas.

Mr. McKelvey: Does the Secretary of State realise that the people of Scotland would broadly welcome his launching the rural aid fund by handing back the £15 million that he has just taken out of the Estimates to cover the rise in rates relief, from 3p to 8p, which he engineered in order to call off the hounds who were chasing him?

Mr. Younger: I am not sure how the hon. Gentleman would like the money to be spent other than on helping the ratepayers. I should have thought that he would be pleased if the money helped ratepayers in Kilmarnock and Loudoun, as well as everywhere else.

Mr. Home Robertson: As many successful rural schools are under threat because of the Government's education cuts, will the Secretary of State make a statement on the future of funding for rural, community-based primary schools?

Mr. Younger: Alas, the first part of the hon. Gentleman's question shows that he is, as usual, completely ill-informed. The amount of money allowed for education in Scotland is at its highest level per head ever. Indeed, the Government have raised it. As the hon. Gentleman knows, the closure of schools is a matter for the regional council in the light of its priorities. The hon. Gentleman asked indirectly about assistance for rural areas, but his area gets as much help as any.

Rates

4. **Lord James Douglas-Hamilton** asked the Secretary of State for Scotland what is his most up-to-date assessment of the numbers of *(a)* domestic and *(b)* commercial ratepayers in Scotland who will benefit from the terms of the Rating (Revaluation Rebates) (Scotland) Bill; and what is his latest estimate of the total cost, taking reductions on appeal into account.

The Parliamentary Under-Secretary of State for Scotland (Mr. Michael Ancram): The Convention of Scottish Local Authorities has now obtained returns from all the Scottish rating authorities which show that some 133,000 domestic and 62,000 non-domestic, including commercial, ratepayers will qualify for revaluation rate rebates at a total cost in 1985 of around £30 million. These figures are a reasonable measure of the likely demand for rebate.

Lord James Douglas-Hamilton: Will not the final figure be known only when all the appeals have been resolved? Is it not true that all those most substantially affected, whose rateable value has risen more than three times, will be assisted by the Bill, and that the commitment is open-ended?

Mr. Ancram: My hon. Friend is quite correct. The final figure will not be known until the last eligible ratepayer has been paid. *[Interruption.]* I agree that the scheme is most generous. I am surprised that Opposition Members should laugh at the provision of £30 million when many of them were asking for much less only four weeks ago. I find it hard to understand why they do not appreciate the scheme as much as Scottish ratepayers do.

Mr. Bruce: The hon. Gentleman has just revealed what he was unable to reveal two weeks ago. Should he not now recognise that the cut-off point has been set too high and that many small businesses which still face extinction should have the benefit of a greater reduction than he has allowed for? Does the hon. Gentleman not realise that there is still very considerable discontent among small businesses in Scotland? If he thinks that the rates issue is dead in Scotland, he should bear in mind that it is not as dead as his party will be at the next election.

Mr. Ancram: I am glad that the hon. Gentleman has been converted from the view—expressed only eight weeks ago in the House—that this is a warped priority, but I fear that, like all converts, his zeal has taken him further than his common sense might do. If he studies the scheme, he will discover that we set the level of a three times multiplier because we appreciated that we could not undo revaluation altogether and, as the hon. Member for Glasgow, Garscadden (Mr. Dewar) said, we had to set it at a level that would help those who were hardest hit. That is what has been achieved by the scheme, and it is much appreciated in Scotland.

Mr. Douglas: The Bill is still going through Parliament and is now before the House of Lords. As about £20 million might be available for distribution, will the Minister consider amending the legislation so that all the funds that the Secretary of State has won from the Treasury can be used?

Mr. Ancram: I do not know whether the hon. Gentleman was here when we debated the issue the other night, but I made it clear that the scheme was demand-led. I explained that the three times multiplier gave adequate protection without undoing the revaluation. We are distorting revaluation, but we are not claiming that those who have gained should give anything back. According to the latest figures available, that demand-led scheme will cost about £30 million.

Mr. Bill Walker: Does my hon. Friend agree that even after the three times multiplier has been used there will be an increase of over 50 per cent. in the cash to be paid for rates in the Angus district, and only a little less in Perth and Kinross? Does my hon. Friend agree also that we must apply pressure to get rid of this iniquitous system, which has produced such a massive increase in rates in that part of the country?

Mr. Ancram: I appreciate that under this scheme, even with the help provided by domestic relief, some ratepayers in Scotland are faced with high rate increases. The Government are studying the whole system of local government finance. We hope to be able to make proposals towards the turn of the year.

Mr. Dewar: I welcome the Under-Secretary's admission that he knew, but would not admit in Committee, that there would be a substantial shortfall—probably of about £20 million—on the £50 million package about which the Secretary of State boasted at Perth. Can the hon. Gentleman confirm press reports that of the sum that would be available for the small business man and other non-domestic ratepayers, about £3 million is likely to go to the owners of poster sites in Scotland and not to small businesses?

Does the Minister accept that an element of flexibility must be built into the legislation and that if that £20 million is not paid out as advertised it will be seen by many who face rate increases of 50 or 60 per cent., with not a penny of aid, as the political equivalent of a serious breach of the Trade Descriptions Act?

Mr. Ancram: I do not like to accuse the hon. Gentleman of deliberate political cynicism, but as £30 million has been made available by the Government to help those who are hardest hit—the phrase that he used in the House when he said that he would co-operate with the legislation—I find the last part of his question hard to understand.

The figures have become increasingly robust as the analysis of the revaluation has continued. The figures that I have given today were made available by COSLA on 12 June and were confirmed to an extent by the Minister of State in the debate in the House of Lords on Monday.

We have no central information about the poster sites. I understand that in the one area that has been considered in respect of poster and advertising sites they represent a small proportion in terms of numbers, qualifiers and cost.

Mr. Wilson: Did the Secretary of State not claim that he had negotiated with the Treasury an extra £50 million to spend on domestic and non-domestic ratepayers? Does the Minister agree that if he does not change the multiplier he will gratuitously hand back to the Treasury £20 million which otherwise would be available to those badly affected by rate changes in Scotland? Does he agree that to fail to claim the money for Scotland would be iniquitous?

Mr. Ancram: The hon. Gentleman is on record as saying that revaluation is good and I am sure that he will not withdraw that opinion. The agreement with the Treasury was that it would provide new money to underwrite the scheme, which is demand-led. At the time that the announcement was made in May, the best estimate of the cost of the scheme was £50 million.

Sporting Events (Safety)

5. **Mr. Canavan** asked the Secretary of State for Scotland whether he is satisfied with standards of safety and crowd control at Scottish sporting events; and if he will make a statement.

The Parliamentary Under-Secretary of State for Scotland (Mr. Allan Stewart): No one can ever be wholly satisfied about matters of safety and crowd control, and I have therefore arranged that the inquiry under Mr. Justice Popplewell should include Scottish sports grounds. My officials have asked Scottish fire brigades to visit sports grounds in their areas to advise managements on any necessary safety measures. With the co-operation of the police, a programme of such inspections is currently being undertaken. The governing bodies of sport have been asked to make constituent clubs aware of the free advice available, as the clubs have a responsibility to ensure the safety of the public.

Mr. Canavan: Instead of imposing crippling rate burdens on Scottish football clubs in comparison with English football clubs, will the hon. Gentleman consider introducing a system of financial assistance for ground improvements? Will he support the representations that I have made to the Belgian Government to follow the example of FIFA and UEFA and draw a distinction between Scottish and English football, rather than impose a ban on Scottish as well as English football clubs? In effect, this ban is punishing Scottish clubs and their supporters for the gross and deplorable behaviour of some English fans during the Brussels tragedy a few weeks ago.

Mr. Stewart: One of the results of the revaluation is that the rating burden on many Scottish football grounds has declined. I have every sympathy with the hon. Gentleman's point about European matches. I think the House will agree, however, that the Belgian Government's announcement in those tragic circumstances was understandable. We have passed on to the Foreign Office the representations that we have received.

In recent years, Scottish football club supporters have had an excellent record in away matches. I am sure the House agrees that, in the present circumstances, it was sensible for the five clubs involved in European competition to announce that they would do everything possible to dissuade their supporters from travelling to away matches next season, except in the case of cup finals on neutral ground.

Mrs. McCurley: Does my hon. Friend agree that, although the Government have had a significant influence by the banning of alcohol at football matches, ultimately every sporting club must bear a greater responsibility for the safety and care of those attending sporting events at their premises?

Mr. Stewart: I entirely agree with my hon. Friend. She is absolutely right to point to the responsibility of clubs. There is no room for complacency about the control of hooliganism in Scotland. That is why I have arranged to meet the Scottish Football Association, the Scottish Football League, the chief constables and the British Transport Police on 1 July to review existing arrangements and to consider whether, in the interest of the huge majority of fans, further action should be taken to improve behaviour at football matches next season.

Mr. O'Neill: Does the hon. Gentleman agree that it is not enough simply to suggest that free advice will be available? If safety at football grounds in Scotland is to be improved, money must be forthcoming. The parlous state of the finances of most of the small Scottish clubs makes it difficult for them to find the necessary funding on their own. The Government must give greater support to help small clubs to make their grounds safe.

Mr. Stewart: Substantial sums of money go into football, including £7 million a year to the Football Trust. Last year, the Football Grounds Improvement Trust distributed £3·3 million retrospectively. I am a member of the working group on financing improvements at football grounds, which is under the chairmanship of my hon. Friend the Member for Sutton and Cheam (Mr. Macfarlane). The FGIT surveyors' report will include surveys of all non-designated grounds in the Scottish first and second divisions.

Mr. Malone: Does my hon. Friend agree that one of the most important contributions to crowd control is an all-seated stadium? Does he agree that Aberdeen has been able to show an example of crowd control not only in Aberdeen but when Aberdeen clubs have travelled abroad? Aberdeen's supporters are ambassadors for the game, rather than the reverse.

Mr. Stewart: Yes, Sir. I had the pleasure of attending Pittodrie at the beginning of the season to present the championship flag to Aberdeen. There is no doubt that it has an excellent stadium. The McElhone report emphasised the importance of seating.

Mr. Ewing: When the Minister refers to £7 million going to the Football Grounds Improvement Trust, does he appreciate that that money comes from the pools companies for the use of the fixtures list? In terms of their take from betting, the Government take far more from football pools than the football clubs have returned to them for ground improvements. Does the hon. Gentleman appreciate that a ground at which we have trouble—not in terms of controlling crowds, but in relation to crowds entering and leaving—is Hampden Park, because the design of the reconstructed stadium had to be changed as a result of the Government cancelling the £5 million grant that was to have been made available? Will the Minister, as a contribution to solving the problem in Scotland, restore that grant and give the money to the Scottish Football Association at Queen's Park so that the reconstruction of Hampden Park can be completed?

Mr. Stewart: The reconstruction of Hampden is going ahead, and I visit Hampden regularly. There are sources of Government assistance which are potentially available, for example, the leg-up and the urban programmes. The hon. Gentleman should accept that the tax on betting to which he refers is a tax on gambling, not a tax on football, and that is an important distinction.

Peripheral Housing Estates

6. **Mr. Hugh Brown** asked the Secretary of State for Scotland what proposals he is considering in response to the report on peripheral housing estates by CES Ltd., "Framework for Action," a copy of which is being sent to him; and if he will make a statement.

Mr. Ancram: The study was commissioned by four local authorities, including Glasgow district council, and it is for them to consider in the first instance how best to respond. I shall, nevertheless, study with interest the proposals of relevance for central Government. I welcome in particular the emphasis in the report on the need and scope for joint ventures between the public and private sectors to tackle the problems of peripheral estates.

Mr. Brown: In the light of that reply, will the Minister indicate, even informally, to Glasgow and Strathclyde that he would be willing to meet them to discuss in what way a new structure might be evolved — be it a town development or urban development corporation—to fit the needs of Easterhouse?

Mr. Ancram: The hon. Gentleman will accept that I must, first, look at this quite complex document and evaluate it, and obviously I cannot make a commitment as to timing. I believe that the emphasis must be on co-ordinated action, which recognises the priority needs of Easterhouse within existing programmed expenditure. As he will be aware, the SDA is already involved in the new greater Easterhouse partnership and the new joint initiative for Easterhouse. The agency will, within the terms of its remit, continue to respond positively to the problems of such areas.

Mr. Henderson: Does my hon. Friend agree that the hon. Member for Glasgow, Provan (Mr. Brown) has drawn attention to a constructive proposal for dealing with one of the many problems that arise from past mistakes by local authorities, often egged on by Governments of the day, in housing policy? While recognising that much has to be done to rectify these errors, does my hon. Friend accept that that should not be done at the expense of the housing needs of those local authorities which have pursued wiser policies?

Mr. Ancram: I am grateful to my hon. Friend for making that point, and I am sure he realises that it is the Government's concern to promote and encourage private sector involvement in public sector estates, both to diversify tenure and to enhance the amenity. I hope that authorities will not stand in the way of these types of development for political ideological reasons.

Iron and Steel Industry

7. **Mr. Tom Clarke** asked the Secretary of State for Scotland when he next plans to meet the Scottish representatives of the Iron and Steel Trades Confederation to discuss the current state of the iron and steel industry in Scotland and the economic implications thereof for Scotland.

Mr. Younger: A member of the Iron and Steel Trades Council was one of the STUC representatives whom I met on 7 June. Also, the ISTC was represented on the works committee at Ravenscraig, which my hon. Friend the Minister with responsibility for industry and education in Scotland met when he visited the works on 3 June.

Mr. Clarke: What is the Secretary of State's response to this morning's press speculation, and reported remarks of Sir Robert Haslam, on the future of Ravenscraig? Does the right hon. Gentleman accept that the closure of Ravenscraig and, consequently, Gartcosh, would be a devastating blow to the Scottish economy? Is he prepared to give a lead to the Scottish ministerial team by saying that he is prepared to resign on this issue because he is not prepared to see Scotland becoming an industrial desert?

Mr. Younger: I appreciate the concern that the hon. Gentleman has mentioned. I, too, have seen the speculation in newspapers this morning. It is just that: it is speculation. The remarks made yesterday before the Select Committee were in that vein as well. The position, as I confirm again, is that there is no sign yet of the corporate plan being presented to the Government. When it is presented to the Government it will have to be carefully considered by Ministers before any decisions can be agreed to or otherwise. That is the position and, as I think the chairman confirmed in his evidence yesterday, that is likely to remain the position for some considerable time yet.

Mr. Hirst: May I reassure my right hon. Friend that he will have the undivided support of Conservatives in any efforts that he makes to persuade the British Steel Corporation and his ministerial colleagues that Ravenscraig should not only continue but should enjoy new investment in coke ovens? May I further urge, if the newspaper reports are correct, that he and his ministerial colleagues plan and mount the type of skilful and successful campaign that they mounted in 1982, to ensure that Scotland retains its steel-making capacity?

Mr. Younger: I am grateful to my hon. Friend for the first part of his remarks. As to the second part, all of us have to wait to see what is in the corporate plan, and then we will have to formulate our responses very quickly.

Mr. James Hamilton: The Secretary of State is very conscious of the fact that I am one of the hon. Members

in whose constituencies Ravenscraig lies. As the right hon. Gentleman is aware, there is a conference at the civic centre in Motherwell on Friday at which there will be representations from the STUC, all the councils, all the Churches, the ISTC and all the other trades unions. Depending upon the decision, which I am sure will be a unanimous one to fight for Ravenscraig, will the right hon. Gentleman give us a categorical assurance that at Cabinet level he will lead the fight for the retention of Ravenscraig?

Mr. Younger: I well appreciate the importance of the meeting, and I am glad that the hon. Gentleman will be present. I am anxiously awaiting news of what will be in the corporate plan when it comes. I can give the assurance that, when it does, I shall be heavily involved in dealing with responses to it.

Mr. Teddy Taylor: As the current uncertainty seems to stem largely from the advice of the European Commission that Britain should further reduce its steel-making capacity, can my right hon. Friend give us a clear assurance that the Government will not contemplate further reductions until the other member states of the Common Market have carried out their agreed obligations to reduce steel-making capacity? Is he aware that Members of Parliament who represent English constituencies are fully conscious of the superb battle that he has put up so far for Scotland's steel industry?

Mr. Younger: With regard to the European scene, as my hon. Friend knows, my right hon. Friend the Secretary of State for Trade and Industry and his colleague have, on a number of occasions in Brussels, forcefully made the very points that my hon. Friend has just made. That is a matter on which the Government have taken a very strong stand.

Mr. Buchan: Many hon. Members are concerned about the adjective "anxious" which the Secretary of State used to describe his views on the forthcoming plan. Only one question remains: will he put the future of Ravenscraig before his own job?

Mr. Younger: I think that my views on this subject have been widely known for long enough. I have given the assurance—and nobody with any sense could expect me to go further at this time—that I am waiting to see what the corporate plan says. Thereafter we shall all have to work out our responses to it.

Mr. Bruce: Will the Secretary of State acknowledge that the future of Ravenscraig is crucial to the future of Scottish industry, that the suggestion that it should be closed is something that should be considered as totally unacceptable within Scotland and that he should say so unequivocally? It is not just a matter of Ravenscraig and the jobs there, but of all the jobs dependent on it in British Rail, in the support industries and so forth. Will he acknowledge that without the steelworks Scotland cannot have a credible industrial base, and that he should say so and fight every inch of the way to ensure that the steelworks remains?

Mr. Younger: I appreciate the hon. Gentleman's continuing concern about the matter, but I suggest to him and to others that they should be careful not to close Ravenscraig before anyone has even proposed it.

Mr. Lambie: When will the Government make the announcement about the new investment at Hunterston? Will it be made tomorrow before the meeting on Friday referred to by my hon. Friend the Member for Motherwell, North (Mr. Hamilton)?

Mr. Younger: I do not expect any such announcement to be made tomorrow.

Mr. Bill Walker: Does my right hon. Friend agree that the Government have been saying to the workers and management in all industries that we have to increase productivity if we are to maintain our markets? Is it not true that, by that standard alone, Ravenscraig has excelled and we should not let anyone outside Scotland be misled by the fact that the European Community has certain levels of production which it says must be maintained throughout Europe? Is my right hon. Friend aware that we in Scotland and Britain have made our contributions, and that Ravenscraig has shown that it is the plant of tomorrow and not of yesterday?

Mr. Younger: I agree with my hon. Friend. My right hon. Friends and I have made it clear on numerous occasions that we consider that when capacity in Europe is being discussed it must be clearly understood that it is not expected that this country should do all the reducing of capacity, but that there should be an agreed system between the European countries.

Mr. Millan: In view of the recent damaging reports, and of early reports emanating from the BSC, why can we not have from the Secretary of State a straightforward and unequivocal commitment that Ravenscraig will not be closed?

Mr. Younger: The right hon. Gentleman has been in the higher reaches of Government and he will know that in nationalised industries the principle that is rightly followed is that the industry runs its own concerns and refers to the Government for the major decisions. It would be wrong, in whichever direction the proposal goes, to pre-empt the decision on any part of the plan before one sees the plan as a whole. Everybody concerned must wait for BSC to produce its corporate plan, and I assure the right hon. Gentleman that there will then be a clear reaction.

Mr. Wilson: As it is no secret that BSC is deeply hostile to keeping Ravenscraig open, will the Secretary of State not delay too much his attack on this matter, because if he holds back decisions could be taken on the corporate plan by other Ministers? It is urgently necessary that he puts his full weight behind Ravenscraig, and I assure him that he will have every support from my party on this matter.

Mr. Younger: I am grateful for that support from the hon. Gentleman. The views of all of us in Scotland on this matter are well known, but it is prudent to wait to see a target before one starts firing at it.

Mr. Dewar: Is the Secretary of State not being a little disingenuous in suggesting that this is all speculation? It is known that options were presented to the Government in the middle of last year, and that those options included the closure of a major steel plant. Is it not a fact that Sir Robert Haslam said to the Select Committee yesterday that discussions were under way on those options? In those circumstances, if the right hon. Gentleman has not seen those options, it must be because the Secretary of State for Trade and Industry has not shown them to him. Is it not essential that the Secretary of State for Scotland gets his

oar in now and makes it clear that the future of Ravenscraig is non-negotiable and that it must continue to play a central role in the Scottish economy? Does the Secretary of State recall that the Minister of State, Department of Trade and Industry, said on 3 June after visiting Ravenscraig that he did not think there was any uncertainty about the future of the plant? Is not the only way that the Secretary of State can end the uncertainty started by yesterday's events is to make it clear that there will not be a closure of one of BSC's three major strip mills under this or any other Government?

Mr. Younger: I appreciate the hon. Gentleman's first point, but he must appreciate that what was said yesterday, which was not surprising, was that there were a number of different options, which were all being considered. That is as it should be. The hon. Gentleman will also know, as was made clear yesterday, that discussions are always going on between the sponsoring Department and the nationalised industry. Preparations for a corporate plan form part of a process that does not stop. However, it is essential that the industry should first make its proposals about what it thinks is the best plan for the industry's future. It is then for the Government to consider whether they are prepared to approve or reject the proposals. That is the Government's role.

British Leyland (Bathgate)

8. **Mr. Dalyell** asked the Secretary of State for Scotland if will make a statement on his most recent discussions with British Leyland about the future of the Bathgate commercial vehicles plant.

Mr. Allan Stewart: British Leyland tells me that discussions are continuing to try to find a purchaser for the engine plant, although some earlier interest has receded. I understand that approaches have been made to British Leyland about developing the site for alternative use. The company has made it clear that if there is a purchaser for the engine plant, any alternative use for the site must ensure the continuation of the engine manufacturing facility.

Mr. Dalyell: May I ask the Minister a question, of which notice has been given to his office for a considered reply? Will the Scottish Office help West Lothian district council, Lothian regional council and Bathgate area support enterprises to obtain co-operation from Leyland for the conversion of the Bathgate premises to accommodate incoming manufacturing industry?

Mr. Stewart: I am grateful to the hon. Gentleman for giving me notice of the question. First, I emphasise that Locate in Scotland has carried out the most comprehensive promotion ever undertaken for a single site, in addition to the Government's general role in improving the climate for industry in the area following the working party's report. The initiative for specific uses of the premises must lie with those who have proposals to put to Leyland. However, I assure the hon. Gentleman that my office stands ready to be involved in any discussions on such specific proposals.

Mr. Robert Atkins: Does my hon. Friend agree that the new range of commercial vehicles made by Leyland Vehicles has been amazingly successful, and that that is evidence of the great changes in productivity and efficiency of management and, above all, in the work force, and of the Government's commitment to British Leyland in the interests of the British public as a whole?

Mr. Stewart: I entirely agree with my hon. Friend. There is no doubt that British Leyland has made substantial strides. The problem regarding Bathgate is that British Leyland has more than enough capacity at its Leyland plant to accommodate even a substantially increased demand for trucks.

Improvement Grants

9. **Mr. Maxton** asked the Secretary of State for Scotland when he intends to make a statement on improvement grants for private housing in Scotland.

Mr. Ancram: A comprehensive review of private sector house improvement policy in Scotland is virtually complete, and I hope to publish proposals for consultation fairly soon.

Mr. Maxton: Is the Minister aware that there are 1,000 closes, that is 6,000 to 8,000 houses in Glasgow, which are subject to a section 24 order, which require immediate and urgent repairs to be carried out? Is he further aware that Glasgow district council will require £25 million extra on its budget to ensure that those improvements are carried out? Despite the fact that he is carrying out a review, will he ensure that Glasgow district council is given the money to provide more jobs in the building industry and to give people a decent home to live in?

Mr. Ancram: I have heard what the hon. Gentleman has to say, and I have heard those facts quoted before. I do not believe that that should have been the case, and I shall explain why. The capital allocation on the private sector non-HRA last year in Glasgow was £86·6 million, which was 50 per cent. of the Scottish total, or 11 per cent. of the Scottish total of private housing. Of those resources, £2 million was unspent, and the council chose to transfer that to its HRA block allocation rather than to augment this year's non-HRA allocation. This year the council has had about £8·5 million more than its forward commitment. Indeed, the amount that has been made available to it is considerably more than its own estimate of expenditure on grants related to section 24 repairs and notices.

Mr. Steel: How does the Scottish Office justify a lower rate of housing improvement grant in Scotland than in England and Wales when more houses require improvement in Scotland and when we have a higher rate of unemployment among construction workers?

Mr. Ancram: I am surprised at the right hon. Gentleman's question. The eligible houses in Scotland are on a much broader base than those in England. In England the eligible date is pre-1919, whereas in Scotland it is pre-1964. Obviously, considerably more houses are involved in Scotland. To suggest, as I infer from the right hon. Gentleman's question, that the Government's record on private housing is not good, is to fly in the face of the facts. During the past five years we have had 171,000 grant applications approved, compared with 41,500 approved in the previous five years under the Labour Government.

Mr. Henderson: Can my hon. Friend give some indication of the scale of housing improvement grant support that the Government have provided in money terms during the past five years, and how that compares

with the previous five years? Does he agree that at this stage we should be getting a better consensus between the Government and local authorities about the criteria that should be applied to improvement grant applications?

Mr. Ancram: My hon. Friend asks for the figure for the past five years compared with earlier years. In cash terms, during the five years of the Labour Government £51 million was spent in this area, compared with £311 million under this Government. In real terms the Labour Government effectively spent £123 million compared with £329 million spent by this Government. Perhaps more indicative than that, is the fact that in each of the last two years this Government spent more in real terms than the Labour Government spent during their whole term of office.

Mr. Kennedy: On the subject of improvement grants to the private sector, will the Minister reconsider his policy for those who have had the cavity wall foam insulation process carried out in timber-framed houses, in that he will not at present allow them specific grants for it to be removed unless that process is part of a general improvement and repair process that qualifies for grant? Many of the houses in the Highlands where such work has been carried out are comparatively new, and therefore do not require other improvements. Will the Minister put pressure on the building societies, in the light of the Building Research Establishment report, not to take such a severe line on mortgages on the subsequent resale of property as a result of the process? Will the Minister reconsider his policy?

Mr. Ancram: I shall obviously take account of what the hon. Gentleman said in the second part of his question. He and I have corresponded on the first part, and I have made clear to him the criteria for grants. When we publish our consultation paper, I think he will find that we are looking at the whole area of improvement grants on a much broader basis.

SOLICITOR-GENERAL FOR SCOTLAND

Travelling People (Crown Office Attitude)

36. **Mr. Henderson** asked the Solicitor-General for Scotland if he will undertake a review of the Crown Office attitude to complaints against travelling people, and invite representations from local authorities, the police and public

The Solicitor-General for Scotland (Mr. Peter Fraser): The policy in relation to complaints of unlawful encampment is reviewed from time to time and has recently been revised to link toleration to achievement by local authorities at district level of the provision of pitch targets. As I informed my hon. Friend on 31 October 1984, complaints against travelling people of other breaches of the law are normally dealt with by the police and procurators fiscal in the normal way.

Mr. Henderson: Accepting that the Scottish Office as well as the Law Officers have an important responsibility in this matter, does my hon. and learned Friend agree that if all travelling people were well behaved and good neighbours there would be very little problem in their finding sites? Does he further agree that during the past year or so there have been examples of incidents and behaviour which entitle us to consider bringing to an end the quite extraordinary privileges which travelling people have in being able to settle anywhere in encampments regardless of planning considerations, environmental health and property ownership, and free of rent and rates?

The Solicitor-General for Scotland: As I have said before, and wish to emphasise again, the toleration policy extends only to unlawful encampment and does not in any way extend to other breaches of the law. The travelling people, as much as anyone else, are under the ordinary obligation to ensure that they observe the law of Scotland. My hon. Friend will also be aware that where there are large, random groups moving around the country in a non-traditional pattern the toleration policy observed in the past does not apply.

Mr. Ron Brown: In this year of youth, is it not quite disgraceful that many youngsters are forced to be regarded as travelling people simply because they are looking for jobs? Is not the DHSS being encouraged to lean on them and to make it intolerable for them to exist as human beings? Is it not true that these youngsters — the new travelling people — deserve to be protected? They deserve basic rights, just like anyone else — just like tinkers, and I do not knock tinkers by any means. If this Government lead in anything, will they come forward — dare I ask?—with a youth charter to support and protect those youngsters who form a lost generation in Scotland today?

The Solicitor-General for Scotland: If the hon. Gentleman has a point, it is certainly nothing to do with the problem that we have in Scotland of trying to accommodate traditional travelling people, who have encampments in various areas. I would have thought that those of us who are aware of the problem would want to ensure that the provision of sites throughout Scotland for travelling people were established. What the hon. Gentleman raises has nothing to do with that very real difficulty.

Housing Benefit

37. **Mr. Millan** asked the Solicitor-General for Scotland how many prosecutions there have been in Scotland in the last year for fraud in relation to the housing benefit system.

The Solicitor-General for Scotland: Precise figures are not available, but inquiries with procurators fiscal indicate that there have been approximately 15 such cases.

Mr. Millan: I am interested to hear that reply. Is the Solicitor-General aware of the abuse of the housing benefit system by slum landlords in Glasgow? We understand that in some cases the abuse goes over the borderline into deliberate fraud. I do not expect the hon. and learned Gentleman to comment on individual cases, but will he give me an assurance that where evidence of fraud is obtained the full rigour of the law will be applied and the landlords concerned prosecuted?

The Solicitor-General for Scotland: I am aware both of the matters that the right hon. Gentleman has raised and of what was in the Glasgow *Evening Times*. He will appreciate that although the matter is not sub judice it would be inappropriate for me at this stage to comment specifically on the allegations that have been made. I

confirm to him that although I am not in a position to make any comment immediately, he may take it that the matter is being carefully investigated.

Mr. Martin: Does the Solicitor-General know that since my days as a councillor in Glasgow there have been complaints about the company mentioned in the Glasgow *Evening Times*? The complaints are still continuing in my constituency. I have heard tales of people's belongings being thrown out on to tenement landings and of the locks being changed on the doors. Surely as a Minister of the Crown the Solicitor-General should investigate these matters. He should ensure that tenants are properly protected and that we do not go back to the Rachman landlord system.

The Solicitor-General for Scotland: Again, I have to say that it would not be appropriate to make comments on the particular company, nor do I know how long that company has been in existence. I emphasise that the reserve I place on my remarks is not idle. I am aware that serious allegations have been made, including those that involve harassment of tenants, which would be illegal under the Rent Acts.

Defence Policy

38. **Mr. Canavan** asked the Solicitor-General for Scotland whether he will publish in the *Official Report* the full text of complaints lodged with procurators fiscal alleging the illegality of Her Majesty's Government's defence policy and the reason why no action was taken.

The Solicitor-General for Scotland: No, Sir.

Mr. Canavan: In view of the complaints lodged with the procurator fiscal at Stirling by students at Stirling university to the effect that, under the terms of the Geneva convention, it is a crime in international law to target the civilian population, and in view of the fact that the Government's nuclear arms policy presents a threat to the civilian population as well as to military personnel, is there not at least prima facie evidence for bringing a prosecution against the Prime Minister and her Government for conducting a defence policy that is criminal?

The Solicitor-General for Scotland: There is no general multilateral convention outlawing nuclear weapons, nor under international law is the use or possession of nuclear weapons prohibited. Indeed, the existence of such treaties as the one on non-proliferation would seem to indicate implicit acceptance of the legality of possession of nuclear weapons by some nuclear states. In any event, I would scarcely have thought that Stirling sheriff court was the appropriate forum to arraign before it every Prime Minister and Secretary of State for Defence since this country acquired a nuclear capability.

Mr. Forth: Does my hon. and learned Friend not regret these misplaced and misguided attempts to bring into the judicial sphere that which correctly belongs to the political sphere? Does he agree that the electorate of the United Kingdom wholeheartedly endorse the Government's defence policy?

The Solicitor-General for Scotland: My hon. Friend is right. What is being sought by the question and by the approach that was made to the procurator fiscal is the introduction of a political element into legal proceedings. In any event, as I have sought to emphasise, it is the view of the Government that the possession of nuclear weapons is not a breach of international law.

Procurator Fiscal (Staff Vacancies)

39. **Mr. McKelvey** asked the Solicitor-General for Scotland if he will list the vacancies in the Procurator Fiscal's Department.

The Solicitor-General for Scotland: As at 31 May 1985 there were vacancies for five legal assistants, one executive officer and nine typing posts.

Mr. McKelvey: Because of the worsening working conditions of the service of the Procurator Fiscal in Scotland, has the Solicitor-General had any indication from the staff that they intend to take some form of industrial action, which may culminate in strike action, to pursue their claims? If they put pickets on a Crown Office building, which police force will monitor their activities?

The Solicitor-General for Scotland: Unfortunately for the hon. Gentleman, he got the wrong answer. He was anticipating that the number of vacancies would be increasing rather than decreasing. In any event, such is my respect for the procurator fiscal service as a whole that I have no doubt that industrial action of the sort that he suggests would be considered wholly inappropriate.

Crime Statistics (Strathclyde Region)

40. **Mr. Hirst** asked the Solicitor-General for Scotland how many prosecutions there were for crimes and offences in Strathclyde region in 1984; and how this compares with 1983.

The Solicitor-General for Scotland: Provisional figures for 1984 indicate that 103,150 persons were proceeded against in Strathclyde region for crimes and offences. This compares with a figure of 114,336 for 1983.

Mr. Hirst: Does my right hon. and learned Friend agree that, if Strathclyde regional council brought the Strathclyde police force up to established strength, more police on the beat would do a great deal to detect crime and so increase the number of prosecutions? Does he further agree that Strathclyde regional council's refusal to increase the number of police is profoundly damaging and wholly unjustified?

The Solicitor-General for Scotland: Yes. Although I have said that there is a decline in the number of people proceeded against, I should have thought that there was nothing in that figure to justify the action being taken to withhold from the chief constable the funding that he needs to bring his force up to full strength. I understand that there is a shortfall of about 200 police officers and 704 civilian support staff in Strathclyde region.

Dr. Godman: Would not the statistics concerning those proceeded against in Strathclyde courts for drunkenness and related offences be improved considerably by the establishment of designated places?

The Solicitor-General for Scotland: The action that has been taken in Aberdeen has shown that the problem can be dealt with much more satisfactorily in that way. If the hon. Gentleman examines the figures that I have given,

I believe he will appreciate that what my hon. Friend the Member for Strathkelvin and Bearsden (Mr. Hirst) said was valid.

Mr. Nicholas Baker: On a point of order, Mr. Speaker. My point of order concerns Question 15, which I had hoped to have the opportunity to ask, and a significant mistype. The mistyped word is "liability". I had no intention of asking about the liability of the Scottish salmon fishing industry, but wanted to raise the issue of its viability. You will be aware, Mr. Speaker, that good beats of Scottish salmon rivers have never seen fewer salmon——

Mr. Speaker: Order. I am not aware of that and I am sorry that we did not reach the hon. Gentleman's question. We did not make very good progress today. However, I have done my best to call those hon. Members who tabled questions lower on the Order Paper. I shall ensure that the correction is made.

Mr. Foulkes: On a point of order, Mr. Speaker. It has not escaped your notice that, in spite of your excellent efforts, we managed to get only as far as Question 9 today. So that we might proceed more quickly and ask more questions of Scottish Ministers, who represent the equivalent of seven United Kingdom Departments and a wide range of issues—we did not reach some important questions today, such as that on the salmon industry and one on Pratt and Whitney, in which I was especially interested—would you consider refraining from calling some Conservative Members again and again when there are only a handful of them and when some of them have not tabled questions at all? Would you also consider making representations through the usual channels to the effect that Scottish Question Time should take place more frequently than every four weeks? The Welsh are able to question their Secretary of State every three weeks and I think that we should be doing it at least every fortnight.

Mr. Speaker: If the hon. Gentleman looks at the Order Paper, he will see that I gave preference, as is my practice, to those hon. Members with questions on the Order Paper. *[Interruption.]* Order. If the hon. Gentleman is referring to hon. Members from English constituencies, may I say that they have as much right to take part in Scottish Question Time as Scottish Members have to take part in English Question Time. I called some of them today, though I think not as frequently as I called Scottish Opposition Members. If the hon. Gentleman consults the Order Paper, he will see that I made a judgment on important issues in Scotland and that hon. Members with questions further down the Order Paper were called.

Mr. Bill Walker: Further to the point of order, Mr. Speaker. I understand that the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) has just drawn attention to the fact that, unusually, I do not have a question on the Order Paper today. The reason is quite simple——

Mr. Speaker: Order. I cannot think that that is a matter for me. I hope that the hon. Gentleman is not dissatisfied with being called three—or was it four, times?

Questions to Ministers

Mr. Dennis Skinner (Bolsover): On a point of order, Mr. Speaker. Yesterday at Question Time, during the course of the questions and answers on the National Health Service, I raised the issue of a young girl in my constituency, Sara Kelly, aged 22 years of age, who had died, with reference to the fact that she had needed an nebuliser under the NHS scheme. I was told by the Minister—indeed, the House was told by the Minister—in answer to my question:

"The hon. Member"—

he was referring to me—

"therefore immediately turns to another story, that of a girl in Pinxton. That is why the hon. Member asked his question, because he has not put it to me before . . . We can sort out the problems if the hon. Member will put the cases to us in a proper way and not seek to exploit them for his own purpose."—[*Official Report*, 18 June 1985; Vol. 81, c. 163.]

The clear implication of that was that I had never raised the case of Sara Kelly with the Ministry. The fact is, of course, that on 1 May, before Sara Kelly died, I wrote to the Department of Health and Social Security and asked for an investigation into the case of the nebuliser. I was calling upon the Minister to provide a nebuliser for Sara Kelly at that time. Some days later I received a telephone call from Sara's parents telling me that she had got a nebuliser, but unfortunately had passed away. I got a reply from the DHSS on 7 June——

Mr. Speaker: Order. Could the hon. Gentleman make his point of order to me, because it seems to me that this point of order is rather more for the Department than it is for me?

Mr. Skinner: The point I am making, Mr. Speaker—and I am absolutely certain that my hon. Friends understand it—is that the Minister misled the House. He was saying to the House yesterday that I had never raised the question of Sara Kelly in the proper fashion, and I have a copy of the reply of the Parliamentary Under-Secretary of State for Health and Social Security, the hon. Member for Oxford, West and Abingdon (Mr. Patten) of 7 June. I rang up the DHSS yesterday and asked whether they knew that their Minister had misled the House. He has a duty to come to the House and rectify the matter, but he has not got the guts to come.

Mr. Speaker: Order. These are not points of order for me. The Minister who was answering at the Dispatch Box yesterday is here and I am sure that, if the hon. Member will give him an opportunity he will wish to say something.

The Minister for Health (Mr. Kenneth Clarke): Further to that point of order, Mr. Speaker. I accept that yesterday I unintentionally made an unfair comment about the hon. Member's constituency case. I came to the House armed with the particulars of two cases with which he had been dealing and one on which I had been corresponding with him. I thought that I had complete knowledge of the cases that he had raised. I therefore, I am afraid, misunderstood what he said and thought that he was raising a new case about which I had not heard before. He quite correctly says that he had written to the Department on 1 May and received a reply from my hon. Friend the Parliamentary Under-Secretary. I afterwards discovered that the hon. Member was not, as I had believed, raising a totally new case.

I have written the hon. Member a letter apologising for that and saying that it is an open letter. I am sure that he can reassure his constituents that he had raised the case in the proper way. I also repeat my undertaking to him yesterday to try to sort out the remaining cases that he has, and I believe that if he continues to pursue his constituency cases we shall be able to sort out the problems in Derbyshire.

SCOTTISH ESTIMATES

Ordered,

That the Estimate Class XVIII Vote 5, Rate Support Grants to local revenues, Scotland, be referred to the Scottish Grand Committee.—*[Mr. Archie Hamilton.]*

Consumer Guarantee Protection

3.34 pm

Mr. Michael Hirst (Strathkelvin and Bearsden): I beg to move,

That leave be given to bring in a Bill to oblige traders offering long-term guarantees when providing goods or services to make suitable arrangements to ensure that such guarantees remain effective in the event of the trader ceasing to trade.

Adam Stewart is a retired constituent of mine and he and his wife like nothing more than to sit in their home and admire their garden. Some months ago they succumbed to the blandishments of a salesman from Coldshield Double Glazing and spent a lot of their life savings installing double glazing in their home, largely relying upon an assurance they were given by the salesman of a five-year guarantee for the work.

After installation of the windows, problems emerged and Mr. Stewart spent several frustrating months trying to have the work put right. Alas, in the meantime Coldshield went into receivership and Mr. Stewart discovered to his alarm and anger that his guarantee was worthless. By the time he contacted me, nothing could be done to help him.

Many hon. Members will be uncomfortably aware of similar cases and will know of the heartache, worry and financial loss experienced by people who discover that they hold worthless guarantees. Hon. Members will have experienced the frustration of writing impassioned letters to the Director General of Fair Trading, to the Minister with responsibility for consumer affairs and to the receivers or liquidators of companies, only to receive sympathy but no recourse for our hapless constituents.

The spate of insolvencies in recent years has left millions of people unprotected against defective goods or workmanship in relation to double glazing, dry rot and dampness eradication, loft conversion, servicing of domestic appliances, rustproofing, and so on. The extent of the problem is confirmed by a *Which?* report stating that, of 850 wood preservation firms surveyed, 600 had ceased trading two years later.

A company does not have to go into insolvency for the consumer to discover that his guarantee is ineffective. The small print often excludes apparently reasonable grounds for a claim.

These are not isolated occurrences. According to the receiver to whom I wrote on behalf of aggrieved constituents, the recent collapse of Coldshield has left tens of thousands of people with worthless guarantees. Wallguard was advertising 30-year guarantees for its damp treatment the week that it went into receivership. Servis washing machines, Multi Guarantee, Mulberry home extensions and countless other failures tell a tale of misery for people who paid good money in the hope and expectation that the work done was properly guaranteed.

The impressive growth of home ownership in recent years has been comfortably outstripped by the growth in home improvements, and many people have spent a great deal of money improving their homes—an objective that we all regard as thoroughly desirable. The private sector home improvement market is estimated to be worth about £6 billion per year. Inevitably, however, the cowboys have come in looking for the potentially rich pickings. Due to their ability to undercut reputable traders by accepting cash payment, the cowboys are believed to command about 40 per cent. of this lucrative market, with disastrous results for penny-wise, pound-foolish, home improvers who give their business to cowboys.

The guarantee is used as a hard marketing tool in advertising literature and in the sales pitch of high pressure salesmen. Purchasers believe, usually reasonably, that they are buying peace of mind and that the guarantee that comes with the goods or services gives them the right to have defective work put right during the guarantee period. Few customers are aware of the terms of the guarantee. Often they do not see the terms before they are committed to buy or the work is executed. Frequently, the guarantee turns out to be heavily qualified, excluding consequential loss, often non-transferable in the event of sale and containing other unnecessarily restrictive conditions.

A parliamentary answer last November to my hon. Friend the Member for Congleton (Mrs. Winterton) revealed a sharp increase in the number of complaints referred to the Office of Fair Trading in relation to construction, double glazing and home insulation. With complaints running at almost 50,000 per annum, the Office of Fair Trading is understandably worried about the problem and its discussion paper confirms its concern about the imperfections of guarantees and the position of holders of worthless guarantees.

In fairness, I should point out that a number of trade federations have made efforts to ensure better standards of workmanship and better guarantee cover, but despite the many worthwhile initiatives traders can still offer guarantees which mean virtually nothing in practice.

The purpose of the Bill is to simplify and strengthen the meaning of the term "guarantee" and to oblige traders who offer guarantees in excess of one year to make suitable arrangements to ensure that those guarantees remain effective throughout the entire period in the event of a firm ceasing to trade. Such a guarantee would be effected either by direct insurance between the consumer and an authorised insurer or by an approved trade association scheme or indemnity scheme which, one hopes, would have an independently insured backstop. The use of the word "guarantee" would be outlawed in all other circumstances. I must stress, however, that nothing in the Bill in any way affects the existing statutory rights of consumers under the Sale of Goods Act or the Supply of Goods and Services Act.

Most importantly, my proposals do not depend upon statutory regulation or the licensing of individual firms, nor are they designed to protect people from their own wilful stupidity. People will still be free to deal with the firm of their choice, whether it is a cowboy firm or a reputable company. Firms unable to offer a guarantee would confer on consumers no guaranteed rights and they would trade with them at their own risk. With proper publicity and the education of consumers in the risks of trading with a non-guarantee company, it is to be hoped that there would be a significant reduction in complaints of the sort which have been aired in Esther Rantzen's programmes or which have appeared on the consumers' problem pages in the tabloid newspapers.

An indirect benefit of the Bill would be encouragement for trade federations, membership of which would presumably enable a trader to obtain more competitive terms for guarantee provision. Building societies and banks also have a part to play, as much home improvement work, which is the source of so many complaints about worthless guarantees, is financed by them. They should,

if only to protect their underlying guarantee for the loan, require the borrower to use a trader offering a proper guarantee.

It is not my intention that those guarantee requirements should inhibit the small trader or the new entrant to the industry. These people would still have every opportunity to develop their businesses. I am sure that many of them grow from small beginnings by operating locally and enjoying personal word-of-mouth recommendations.

I accept that there would be an extra burden in arranging guarantee insurance, but that would be a small price to pay for the extra business which would be forthcoming from those seeking the security of a guarantee.

People may well ask whether the result of the Bill would be yet another step along the road to the nanny state. I remind the House that deposit taking, credit sales and hire purchase, and the operation of banking and insurance, are already subjected to stringent statutory control. The clients of lawyers, accountants and stockbrokers have the security of an indemnity fund. Holidaymakers are protected by a Government-funded scheme. I am looking not for Government funding but for a legislative framework to ensure that a guarantee is in reality what it purports to be.

Question put and agreed to.

Bill ordered to be brought in by Mr. Michael Hirst, Mr. Spencer Batiste, Mrs. Virginia Bottomley, Mr. Hugh Brown, Lord James Douglas-Hamilton, Miss Janet Fookes, Mr. Charles Kennedy, Mr. Austin Mitchell, Sir Hector Monro, Mr. Stuart Randall, Mr. James Wallace and Mr. Gordon Wilson.

CONSUMER GUARANTEE PROTECTION

Mr. Michael Hirst accordingly presented a Bill to oblige traders offering long-term guarantees when providing goods or services to make suitable arrangements to ensure that such guarantees remain effective in the event of the trader ceasing to trade; And the same was read the First time; and ordered to be read a Second time upon Friday 5 July and to be printed. [Bill 164.]

Opposition Day

[15TH ALLOTTED DAY]

Prices

Mr. Speaker: We now come to the important debate on Government-imposed price increases. I have selected the amendment in the name of the Prime Minister.

3.49 pm

Mr. Roy Hattersley (Birmingham, Sparkbrook): I beg to move,

That this House condemns the Government's policy of intentionally increasing public sector prices through rising tariffs for gas and electricity, increased rents, rates, water charges and bus fares, higher charges for school meals, meals on wheels, home helps and prescriptions, which will result in disadvantage for all but the richest sections of society; deplores the increases in private sector prices resulting from the Government's extension and imposition of higher levels of value added tax; and strongly disapproves of the Government's mismanagement of the economy which has produced record interest rates and a consequent level of mortgage repayments which for most families greatly exceeds any gains from changes in income tax.

Inflation is the area of the economy in which the Government most often proclaim victory, but an examination of the facts shows that boast to be largely bogus. For five years, the Prime Minister has claimed credit for a falling inflation rate, and has rejected all blame for increases in unemployment. In both cases, the truth is almost the exact opposite of what she asserts. That is a demonstrable fact, and it was so even before the increase in the retail price index over the past five months.

I simply draw the attention of the House to the statistics. During the past six years the British inflation rate has fluctuated between 9 per cent. above the OECD average—that was in the year in which the Government increased VAT from 8 to 15 per cent., and pushed up the RPI by four points at a stroke—and 1·8 per cent. below it. The latter figure came about immediately before the last general election.

But over the period as a whole, the average rate of inflation in the OECD has fallen from 9 to 5 per cent., whilst in the United Kingdom it has fallen from 10·1 to 7 per cent. That is a comparison of our inflation record with that of our competitors and partners in the developed world. We have certainly done no better—and, indeed, have probably done worse—than the average in the other OECD countries.

There can be no dispute about unemployment. It is a question not of perhaps having done worse but of certainly having done worse, continually having done worse and remorselessly having done worse. In 1969, United Kingdom unemployment stood at 0·5 per cent. above the OECD average. In 1980 it was 1·1 per cent. above; in 1981, 3·9 per cent. above; in 1982, 4·1 per cent. above; and in 1983, 4·4 per cent. above; and in 1984 it was 5 per cent. above the OECD average.

In the five years for which there are statistics and in the five years of this Conservative Government, our unemployment rate has continually and remorselessly increased as compared with unemployment in the OECD countries of our partners and competitors.

Mr. Patrick Nicholls (Teignbridge) *rose*——

Mr. Hattersley: I shall give way to the hon. Gentleman in a moment. So far I have given only the official statistics, but perhaps he wishes to argue with them.

Mr. Nicholls: Was there one single month under the last Labour Government when the rate of inflation was lower than it is now?

Mr. Hattersley: As I develop my case, the hon. Gentleman will discover that the problem that he has to face—[HON. MEMBERS: "Answer the question."]—is whether the present rate of inflation is the lowest that the Government could achieve, or whether, through their wilful policy and despite the advantages that they have enjoyed, they have behaved in such a way as to produce a rate of inflation that is worse than that in the countries of our competitors and collaborators in the OECD. The answer to that question is a categorical yes, and I am glad that the hon. Gentleman is wisely not prepared to argue with that contention.

The contention is that, as compared with other developed countries, our rate of inflation has continually and inexorably deteriorated. That has happened at a time when commodity prices have remained relatively stable and when almost all the external factors—I draw the hon. Gentleman's attention to oil prices — have encouraged an improving inflation rate. The things that have pushed up inflation in this country during the past five months are domestic factors, just as they were in 1979 and 1981. The causes of inflation are VAT, rents, gas, electricity and, overwhelmingly, mortgages. Things that are the direct result of Government policy have escalated the inflation rate to the 7 per cent. figure at which it now stands. All the increases that I have listed have come about either directly as a result of Government edict or indirectly as a result of Government incompetence.

It is now accepted that the most immediate cause of the increase in the retail price index is the increase in mortgage rates. About that I want to ask the Chief Secretary an immediate question. If he cannot answer it now, I warn him that we expect the Secretary of State for the Environment to answer when he winds up in five hours' time.

When official statistics prove the inadequacy of Government policy, it is the Government's practice not to change the policy but to change the statistics. That happened when the retail price index was replaced by the tax and price index; that happened when the method of calculating the unemployment total was altered to give a better figure; that happened when the method of estimating the number of people in work was altered to improve the total.

Is the same about to happen with the retail price index? I understand that the retail prices index advisory committee has been asked by the Government to consider the removal of mortgage rates from the inflation calculations. That is a simple matter to which the Chief Secretary can answer yes or no. If he cannot, the Secretary of State for the Environment can answer later. Perhaps the answer is known already. I shall be pleased to give way to hear the answer to the question. Have the Government, or have they not, invited the retail prices index advisory committee to consider the removal of mortgage rates from the RPI? We look forward to the Chief Secretary enlightening us as the afternoon progresses.

Whether or not the Chief Secretary admits that what I say is true, the increase in mortgage rates played a major part in the April and May inflation increases. The May increase was described by the Secretary of State for Employment as a "blip" in a downward curve. When he made his usual statement on the unemployment figures, the Secretary of State did not say that there had been a blip in April, a blip in March, a blip in February, a blip in January — that is five blips in a row. Many commentators believe that if blips are the euphemism for upward movements, there will be another blip next month.

Five blips in a row — possibly six — requires a collective noun. The word of course is "trend". The trend has been upwards since Christmas. The trend has been established not by external factors, because commodity prices are relatively stable and the pound has not significantly deteriorated since January. The cause is domestic Government policy and the principal cause is the increase in the mortgage rates, for which the Government are wholly and directly responsible.

The story of the mortgage rates increase is well known, but it bears repetition. For 18 months, the Chancellor of the Exchequer insisted that the pound must float free and find its natural value in world markets. While he was insisting upon that throughout 1984, commentators were saying that, since oil is priced in dollars, depreciation would increase oil revenues, the oil revenue increases would extend the fiscal adjustment, the extended fiscal adjustment would increase the Chancellor's scope for tax cuts, and therefore the Chancellor was in positive favour of depreciation. Not once did the Chancellor do anything to contradict that view.

The Chancellor of the Exchequer (Mr. Nigel Lawson): Rubbish.

Mr. Hattersley: Will the Chancellor say when he contradicted the view that he welcomed depreciation? Will he give an example now? The Chancellor did nothing to contradict that judgment. As a result, on 10 January the pound seemed likely to depreciate to the value of a single dollar. As a result of that, the Chancellor stepped in on 11 January and manoeuvred an interest rates increase, which did not work.

The following day, not only the Chancellor, but all in Downing street, took a hand. At No. 10, *The Observer* newspaper was told that intervention to support the pound was imminent, while next door, at No. 11, *The Sunday Times* was being assured that intervention was out of the question. The result was chaos in the market and panic in the Government. On Monday 14 January, the Chancellor reintroduced minimum lending rates and began the process that ended with base rates at 14 per cent. and the highest real interest rates that this country has endured for 50 years.

The cause of those interest rates rising to that level was not the old theory of crowding out or the new excuse of international rates. It certainly was nothing to do with the money supply, even though the Government were not meeting their money supply targets. Interest rates in Britain are now 6 per cent. above those in Germany, America and Japan, for reasons that are special to the United Kingdom. Those reasons are and remain the incompetent management of sterling by the Chancellor and the panic that affected the Government thereafter. As a result of that unique increase in interest rates, mortgage

rates rose to 13·75 per cent. and 14 per cent.—4 per cent. higher than at the time of the last election and 2 per cent. above the level that the Government inherited in 1979. In fact, those mortgage interest rates have been surpassed only once in our history, and that was under the Tory Government in 1981.

On 1 April, mortgage interest rates rose by a full 1 per cent. That added £9.60 a month to the repayments on a £20,000 mortgage, which is the average new mortgage taken out. That increase in repayments on the average new mortgage more than swallowed the £7.50 tax relief provided in this year's budget for a married couple. Thanks to the Government, during the past five years, that family with a £20,000 mortgage has faced a 4 per cent. increase in its mortgage repayments and an actual increase of £40 a month. The Conservative party, which claims to be the party of home ownership, has made home ownership more expensive than ever before.

For some families, especially young couples, the Government have made the price of home ownership prohibitive. Yet, if those same young couples want or have to live in rented accommodation, especially municipal rented accommodation, the cost has increased just as much. Thanks to the Government's decision virtually to abolish housing subsidies, increases in rents have escalated at a speed that no hon. Member, whatever his persuasion, would have regarded as tolerable five or 10 years ago. In 1978-79—the last year of the Labour Government—the average council rent was £5.90 a week; last year, it was £14.77. The estimate for 1985-86 is £15.50 a week—an increase over seven years of 163 per cent. gross and 41 per cent. in real terms. These are massive increases which ordinary families find it almost impossible to face and bear.

The increases in mortgage repayments and in rates are borne by home owners and house renters who are desperately affected by another item of policy for which the Government are generally and directly responsible—the continuing increase in rates. I know that it is the practice of the Government's propaganda machine to blame the rates increases on individual councils. It may well be the whole absurd paraphernalia of rate capping and all that goes with it was not so much a device for holding rates down as a device for finding scapegoats on whom to blame the increasing rates.

Whatever the purpose of all these schemes introduced by the Chancellor and his many predecessors who escaped before he arrived, none has worked. Between 1974-75 and 1978-79—that is the period of the Labour Government, for hon. Members who enjoy making such comparisons—rates rose by 73 per cent. In fact, the real cost fell by 5 per cent. Between 1978-79 and 1984-85 the rates rose by 146 per cent.—the real cost rose by 46 per cent. Between the first year that this Government were in office and the estimate for next year, the rates increase will be 169 per cent.—a real increase of 44 per cent. That is 44 per cent., to which an additional escalating payment must be made for water rates, which continue to grow at a speed that is inexplicable to most people who have examined the industry.

The Government blame all this—a 44 per cent. real increase in rates plus the increase in water charges—on spendthrift councils. They justify their blame and substantiate their accusations by giving examples of items of spending which I freely admit are sometimes absurd, but which are almost always trivial in terms of a borough's total rates bill.

If councils are to blame for escalating rates, then Conservative councils are at least as guilty as Labour in local administration. I ask the Chief Secretary to consider the average domestic rates precept this year in the shire counties, where the Conservative party believes itself to hold sway and in some areas exercises undisputed power. In the 10 shire counties where Labour sets the rates, the figure is £4·83; in the 19 shire counties where the Conservatives set the rates, the figure is £5·31; and in the 10 counties where there is no overall control the figure is £5·34. By dividing the shire counties into three groups—Labour, Conservative and others—one can see that, according to the Government's criteria, the Labour party has a better record of thrift than the other parties.

I am not blaming the independents, the Social Democrats or the Liberals, who have increased the precept the most. I am not blaming the Tory councils which have increased the precept more than Labour councils. To blame them for the increase in rates would be as absurd as to blame all the other groups which have had the unpleasant task of imposing and passing on the price increases required by the Government. Those councils have increased their rates for two reasons — first, because the Government have increased councils' costs by imposing extra duties on them, such as the administration of housing benefit, and, secondly, because the Government have neglected services, such as local transport, which councils rightly thought it their duty to rescue.

At the same time as this Government have increased councils' costs, they have remorselessly and ruthlessly cut the rate support grant, which is central Government's contribution to local authority spending. In 1978-79 which was the last year of the Labour Government—this is another comparison which will be noted by assiduous hon. Members who like to make these comparisons—the RSG was £12·226 billion; this year it has sunk in real terms to £8·489 billion. If this Government had kept RSG at the level they inherited, local authorities would have received a sum so much greater than the sum they now receive that none of the increases about which there have been so many complaints would have been necessary or imposed.

In such circumstances, it is dishonest and absurd to blame the rates rises on local councils. It is as dishonest and absurd as it would be to blame the chemists for the increases in prescription charges from 20p to £2, to blame the dentists for the increased patient costs which come from open-ended charges, or to blame the opticians for the increased prices which result from the abandonment of NHS glasses and lenses. The Government are responsible for all those items, just as they are responsible for the rates increases.

Mr. Tim Eggar (Enfield, North) *rose*——

Mr. Hattersley: I am always happy to give way to the hon. Gentleman.

Mr. Eggar: Before the right hon. Gentleman leaves the question of rates, may I ask him to recollect that the Government imposed a limit on the GLC? Does he remember that the GLC then voted voluntarily to go below that limit and announced that it was able to do that without

[Mr. Eggar]

any reduction in the standard of services being offered to the people of London? Did the right hon. Gentleman welcome the move by the Government which forced the GLC to reduce the rate, or did he believe that his friends at county hall should have been allowed to raise the rates as high as they wished?

Mr. Hattersley: I will now demonstrate why I said that I am always happy to give way to the hon. Gentleman. Perhaps he will recall what happened when the GLC reduced the rate below the figure that the Government anticipated. That required the Government to give more money to county hall, and because that had to be done, they had to take money away from Lancashire and every one of the shire counties.

Mr. Eggar: No.

Mr. Hattersley: It is no good the hon. Gentleman saying, "No", because that is exactly what happened. It is what I told the Prime Minister would happen and it is what the Prime Minister justified having happened. Because the GLC remained within the law, the shire counties, many of them Conservative-controlled, were penalised. If the hon. Member for Enfield, North (Mr. Eggar) regards that as a sensible way of distributing the rate fund, I shall give way to him frequently in the future.

Mr. Nicholas Soames (Crawley): Get on with it.

Mr. Hattersley: I long for the hon. Member for Crawley (Mr. Soames) to intervene.

Mr. Soames: Just wait.

Mr. Hattersley: The people whom I have described — those who are paying higher mortgage rates and higher rents, both of whom are paying additional rates bills —are also the people who are now faced with massive increases in the cost of gas and electricity.

I have no doubt that, when the Chief Secretary makes his valedictory speech, he will say that gas and electricity prices rose between 1974 and 1979. I congratulate him on his perception in discovering that. During the lifetime of the Labour Government, gas prices, although they increased by 73 per cent. in nominal terms, fell by 39 per cent. in real terms. Between May 1979 and August 1985, gas prices rose by 128 per cent. in nominal terms and 56 per cent. in real terms.

Electricity prices rose much more quickly under Labour than they have under the Conservatives. However, I hope that, as the Chief Secretary entertains us with a detailed recital of the figures that I have offered him, he will also give the history of those price increases.

The Labour Government of 1974 inherited from their predecessor annual losses on gas of £41 million and on electricity of £176 million. I know that it is not fashionable for the present Government to defend their lineal predecessor, and the Chief Secretary may say that many of the problems that the Labour Government faced with gas and electricity prices were the direct result of the Heath Administration. He must make his own judgment on whether he wants to offer that condemnation.

The facts are beyond dispute—a £41 million deficit on gas and a £176 million deficit on electricity—and the Labour Government moved slowly towards a break-even point. As one of the Ministers who was responsible for this area of policy, I vividly recall that the criticism of the Labour Government was not that we were putting gas and electricity prices up too quickly but that we were increasing them too slowly—that we were subsidising the gas and electricity consumer.

Mr. Eggar *rose*——

Mr. Hattersley: No, I must get on.

Mr. Robert Atkins (South Ribble): The right hon. Gentleman said that he always gave way to my hon. Friend the Member for Enfield, North (Mr. Eggar).

Mr. Hattersley: While I could not lose by giving way, I am motivated solely by compassion. Therefore, I will not give way again to the hon. Gentleman.

The Government's attitude towards the gas and electricity industries has been diametrically different from that of a Government who struggled — not completely successfully — to make the industry break even. The Conservatives have used gas and electricity to raise revenue and collect taxes, and I will quote two authorities for saying that.

I remind the Chief Secretary of what the National Gas Consumer Council said about the gas tariff:

"We strongly opposed and fought vigorously against the suggestion that the tariff should rise higher than the commercial needs of the industry in order to provide a convenient source of revenue to the Treasury."

It went on to say that its opposition to the gas industry being used

"to provide a convenient source of revenue to the Treasury"

failed and that the fight to stop the gas tax was lost. It added that the

"three-year Government imposed programme of rapid gas price rises was. . . a programme that more than doubled the price of gas."

The same rule applies to electricity. I have quoted the report of the Select Committee on Energy in the House before. When I last raised it in debate, the Chief Secretary did not comment on the issue. I invite him to comment on it today. That Select Committee said:

"the proposed electricity price increase. . . is not justified on the grounds either of the Financial Target or the Government's economic pricing policy. The only possible reason for it is the Government's desire to raise additional revenue."

Mr. Andrew MacKay (Berkshire, East) *rose*——

Mr. Hattersley: I had better not give way to the hon. Gentleman, or his hon. Friend the Member for Enfield, North will feel cheated.

The Select Committee added:

"the industry has been required by the Government . . . to make payments to the Treasury in 1984-85 of some £360 million over and above the figure of £380 million which would be consistent with Financial Targets."

The Government now impose a purchase tax on gas and electricity. It is a surreptitious tax, but it is a tax nevertheless on electricity and gas.

Mr. Andrew MacKay: The right hon. Gentleman is rightly concerned about price rises. I am sure that he is keen to enlighten the House and the country on his party's policy. Do he and his party believe in a statutory prices and incomes policy, or would he have some sort of fudge or compact with the trade unions?

Mr. Hattersley: My answer to the alternatives that the hon. Gentleman offers me is that I do not believe in a statutory incomes policy. I do, however, believe, as I have always believed, that an agreement must be forged between unions and Government — *[Interruption.]* I

know how concerned the Government are by the increase in wages reported today. I hope that they will understand, if they are concerned about wage increases, that they should not be surprised by today's news. If the Prime Minister preaches the doctrine of every man and woman for himself and herself, she must expect the trade unions to do exactly the same. As Mr. Sid Weighell once said:

"If we live in a pigsty economy, everybody will try to get their snouts in the trough."

As the Conservatives have encouraged the belief that every man and woman should fight for himself and herself and damn the consequences, they should not be surprised if trade unionists take them at their word.

Several Hon. Members *rose*——

Mr. Speaker: Order. I do not think that the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) is giving way. There will be ample time for other hon. Members to contribute to the debate.

Mr. Hattersley: I return to the subject on which—[HON. MEMBERS: "Keep to the point."] I have not left the point. If Conservative Members will concentrate, when I say that I am returning to the point, it means that I have not left it. I am on exactly the same point.

The surpluses in the gas and electricity industries which the Government have arranged and have imposed—they would be called profits in private industry, and I suppose that they will be called profits if those industries are privatised — are used to reduce the public sector borrowing requirement. They are taxes, and they are intended to assist in the achievement of the massive tax cuts which the Chancellor pursues so frenziedly but never actually achieves.

I suspect that this frenzy will increase as the election approaches — not surprisingly from a party which promised to cut taxes but has in fact increased the annual tax bill by £29 billion. That means, I suspect and fear, that there will be additional assaults on public services such as the assault mounted by the Secretary of State for Transport in his direction to the London Regional Transport Board to reduce its level of revenue support. The assault resulted in fares being increased on average by 9 per cent., short journey fares being increased by 25 per cent. and children's bus fares being increased by 50 per cent. Those are the sort of prices that real families pay for the Chancellor's frenzied and vain pursuit of a surplus big enough to provide the tax cuts which he once promised and has failed to provide.

There will be the pathetic pretence that the problems of the economy, while all this is going on, can be solved by the belief and the pursuit of the superstitions which have so failed the economy for the last six years. I have absolutely no doubt that when the Chief Secretary speaks we will hear a repetition of all the old shibboleths that we have heard from him week in, week out, since he first became a member of the Government. He will announce that the policy which has visibly failed is really an invisible success and he will urge us to be patient, telling us that in the end the policy which has so damaged the economy will save the economy. To most people the absurdity of that blind faith is now obvious.

We were once told that, if the Government held down inflation, every other aspect of the economy would improve. What they have done is to attempt to hold down inflation by damaging every other aspect of the economy. The 2 million extra unemployed, the record level of company liquidations, the deficit on manufacturing trade, the net decline in investment and the negative net investment in manufacturing, construction and transport, are all the prices that we pay for the Government's belief that, if they hold down inflation, everything will come right. Not even in that particular have the Government succeeded. Not even in that promise have the Government managed to do what they asserted would be done.

The most recent of these promises was made by the Prime Minister somewhere in south-east Asia. I cannot recall the exact country—that does not matter; the right hon. Lady cannot either — but I do remember the promise. The promise was a 3 per cent. inflation rate by polling day. Therefore, I ask the Chief Secretary whether the Government are still committed to that figure or are now edging away from the Prime Minister's indiscretion. If the Government still believe that 3 per cent. is possible by polling day, let me remind them what they have to do. They have to cut inflation by 4 per cent. in the next two years. What the Government have achieved in six years is a reduction of 3·1 per cent. What they have achieved since the last election is an increase of 3·3 per cent.

Notwithstanding that, I make my position clear about what I fear most—that the Prime Minister will cynically attempt to keep her promise by further collapsing the economy, by adding to record unemployment, by adding to the number of company liquidations, by increasing the deficit on manufacturing trade and by worsening the position in transport, manufacturing and construction, where net investment is already negative. My fear is that the Prime Minister will cynically deepen the damage in the vain hope of having a least one semi-plausible claim to make about her economic record. I do not think that it will do her reputation very much good. The country no longer believes her economic prescription—how could it when so many promises have been broken and when so many forecasts have proved risibly wrong?

I conclude with one recent example. On 21 March the Chancellor spoke to the House about inflation which he said

"will stay low and will get lower."

Since then, the retail prices index has risen twice. What is more, even when the Chancellor gave his assurance on 21 March, he must have known that it was going to rise in April, but what he said to the House was that inflation "will stay low and will get lower." — [*Official Report*, 21 March 1985; Vol. 75, c. 973.]

It is conduct such as that and words such as those——

Mr. Lawson: That is not what I said in the Budget speech.

Mr. Hattersley: The Chancellor is assuring the House that he said something different in the Budget speech. It is a sort of defence to say that one said one thing on one day and another on another day, but I do not think that it is a defence that will take him very far. I believe that it is defences like that and statements of the sort that I have just described which make the comment that the Chancellor offered the House on 21 March wholly apposite—apposite not to the inflation rate, but to the Government's reputation—that it will stay low and will get lower.

4.26 pm

The Chief Secretary to the Treasury (Mr. Peter Rees): I beg to move, to leave out from "House" to the end of the Question and to add instead thereof:

'supports the Government's sound financial policies to reduce and contain inflation, to provide the basis for a fifth successive year of economic growth and to secure a sustained rise in living standards.'.

The motion standing in the name of the official Opposition covers an enormously wide area, in the hope, presumably, that it may hit a few targets——

Mr. Jack Straw (Blackburn): The right hon. and learned Gentleman is a sitting duck for a start.

Mr. Rees: Just give me a chance to see whether I can fly. The hon. Gentleman is usually more generous than that.

In the hope that echoes of the debate may reverberate in the valley of Brecon and Radnor, the amendment attempts to give a little more coherence to the debate. The difficulty is that the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) makes most of his interesting speeches outside the House. Taking my cue, however, from his most recent interview with *The Guardian*, and his recent Crosland lecture at Oxford, I shall direct my remarks today to the broad priorities of the Government's economic policies and the question of nationalised industry prices.

The Government's economic policies have been clearly stated and consistently followed since the day on which they assumed office in 1979. I think that our record stands close comparison with that of other countries of the OECD and so far out-tops the record of the last Labour Government that I am rather surprised the right hon. Member for Sparkbrook should even have tabled the motion.

We inherited a situation where inflation, starting from a figure of around 17 per cent. in the autumn of 1974, which the right hon. Member for Leeds, East (Mr. Healey) represented as 8·4 per cent., had accelerated to 26·9 per cent. in 1974, before falling temporarily as a result of the short-term expediency of incomes policy. By May 1979, inflation was 10·3 per cent. and on a sharply rising trend.

Those rates of inflation were bidding fair to destroy our economic base and social cohesion. The right hon. Member for Sparkbrook will well recall those days, as he was Secretary of State for Prices and Consumer Protection from 1976 to 1979, so some of his observations had an added piquancy. He will recall the policies with which his Government tried, without success, to contain the situation. He will also recall his clear statement of priorities in February 1978, when he said:

"in terms of promoting employment opportunities throughout the country as a whole, nothing is more important than containing inflation." — [*Official Report*, 7 February 1978; Vol. 943, c. 1271.]

I applaud that clear statement of principle. Would that the Labour Government had applied it. I ask the right hon. Gentleman whether this is one of the old shibboleths to which he referred, one to which he has returned, or one which he has never left.

Does that quotation still represent one of the priorities of Labour party policy? The right hon. Gentleman did not touch with sufficient clarity, either in his Crosland lecture or in the interview in *The Guardian*, on his priorities and how he hoped to achieve them. Let me chart the Government's record on inflation.

In May 1979 inflation was 10·3 per cent. and rising, as the previous Administration's attempts to impose bureaucratic short-term solutions were collapsing. If ever there was a pigsty economy, it was in those dark winter months of 1978-79, when the noses of certain sectors of the trade union movement were in the trough and the right hon. Gentleman and his friends did nothing to remove them.

In 1980 the Government set out in place of the previous bureaucratic short-term solutions a medium-term financial strategy to promote honest finance and sound money and a sustained fall in inflation. We have stuck to our strategy, and it has been successful. Inflation has been steadily squeezed from the system.

Mr. John Maxton (Glasgow, Cathcart): What about interest rates?

Mr. Rees: The hon. Gentleman must learn to control himself. We are no longer in Committee Room 10.

Under the previous Administration inflation averaged 15·5 per cent. Under this Administration it has averaged 9·7 per cent. Since June 1983 inflation has averaged 6·2 per cent. Inflation is under control in a way that it has not been since the late 1960s.

The right hon. Member for Sparkbrook made much play of the upturn in the RPI figures this spring and summer. In May the RPI showed an annual increase of 7 per cent., compared to 6·9 per cent. the previous month and 5 per cent. earlier in the year. Of course these figures are unwelcome, but Opposition Members should not pretend that they come as a great surprise or signal the failure of our policies.

My right hon. Friend the Chancellor of the Exchequer made it clear in his Budget speech that he expected inflation to edge up in the middle of this year. This increase in the RPI is due largely to temporary factors and, as the right hon. Member for Sparkbrook is right to point out, mortgage interest plays a great part. The rise in inflation followed a certain upset in the exchange markets at the beginning of the year — a clear sign of the problems that would assail any Government not committed to the firm financial and fiscal policies that we are implementing.

The right hon. Member for Sparkbrook made some points about the activities of the retail prices index advisory committee. He will know, having occupied the position that he did, that this is an independent advisory committee, with representatives of the TUC, the CBI and the Government, and is to report towards the end of 1985. The Government have asked it to look at a range of factors, but if the right hon. Gentleman is suggesting that it is likely to be prejudiced in favour of the Government, he is being grossly discourteous to the independent members who form it.

Mr. Hattersley: No matter what I am suggesting about the advisory committee, I am asking about the Government. Have the Government asked the committee to look at the inclusion of mortgage rates?

Mr. Rees: We have asked it to look at a range of factors, including in particular the contribution made by housing.

Dr. John Cunningham (Copeland): That means yes. Where are the figures?

Mr. Rees: If the hon. Member for Copeland (Dr. Cunningham) is suggesting that the independent advisory committee is likely to put its name to a figure, he should reflect a little more.

Dr. Cunningham: It is a fraud.

Mr. Rees: No, it is not a Government fiddle. Let me remind the hon. Gentleman, who has perhaps not considered his question as closely as has the right hon. Member for Sparkbrook, not having held the same range of posts in the last Administration, that most other countries do not include mortgage costs in their RPI.

Mr. Hattersley: Answer the point.

Mr. Rees: I have given a clear and explicit answer, and these matters are for the decision and recommendation of the independent advisory committee. The right hon. Gentleman should contain himself. Does he wish to assert that the committee is not advisory and not independent? I have given a clear explicit answer to his question. If he is not satisfied with it, he should have formulated his question in a different way. He clearly has not thought through the charge which he is rather apt to throw around the Chamber.

Let me point out that every monthly statement of the RPI under the last Labour Government was higher than the 7 per cent. figure recorded a fortnight ago. The right hon. Gentleman went grudgingly a little way to conceding that, but he did not deal satisfactorily with that rather striking comparison.

Sir John Page (Harrow, West): Will my right hon. and learned Friend say that again, because I should like to memorise it?

Mr. Rees: My hon. Friend is right. It is a simple proposition that should remain in the memories of every hon. Member, and, I hope, the electors. Every monthly statement of the retail prices index under the last Labour Government was higher than the 7 per cent. figure recorded a fortnight ago. That is the most telling and succinct epitaph on the counter-inflationary policies of the last Labour Government.

The figure of 7 per cent. still concerns us, but it also emphasises how right we have been to make the containment of inflation our first priority, to rest upon the shibboleth which the right hon. Member for Sparkbrook enunciated so admirably and clearly in February 1978.

In his Budget speech my right hon. Friend the Chancellor made it clear that we expect inflation to turn round again by the end of the year, falling to around 5 per cent., and further in 1986. We still do, and we can say this with confidence because we are sticking to our financial strategy, which we set out in 1980. Monetary conditions are sufficiently restrictive to squeeze inflation from the system. Our fiscal policy has public borrowing on a sensible track. The PSBR was equivalent to 5·4 per cent. of GDP in 1978-79. In the last financial year, despite the coal strike, it was about 3 per cent., the lowest figure since the early 1970s. For this year we are looking for a further reduction to £7·1 billion, or 2 per cent. of GDP, to underpin our strategy for lower inflation.

Of all the subjects on which the right hon. Member for Sparkbrook has touched in his speeches outside the Chamber, this is one to which he has never given a clear and succinct answer. I address this question specifically to him, as I have on previous occasions. What proportion of GDP to go on the PSBR does he regard as acceptable in the present circumstances? I shall willingly give way if he wishes to answer.

Mr. Hattersley: That is a ludicrous question.

Mr. Rees: The right hon. Gentleman is shifting uneasily in his seat. The question is ludicrous for him because he cannot answer it. He has not worked out the position on that. He has not really worked through the Labour party's counter-inflationary policies.

If ours is called a dogmatic and monetarist approach, I shall plead guilty. I shall be in the good company of most of the Finance Ministers of the developed world. These are the very policies which were so strikingly endorsed at the last OECD ministerial meeting in Paris. In the words of the Bonn economic summit communiqué:

"In order to sustain non-inflationary growth and higher employment, we have agreed that . . . we will follow prudent, and where necessary strengthen monetary and budgetary policies with a view to stable prices, lower interest rates and more productive investment."

Does the right hon. Gentleman dissent from that and from the views of his presumed friend the President of France?

If the debate is to be more than a mere exercise in rhetoric by Opposition Members, it is right to consider what alternative policies they advocate. The right hon. Gentleman has told us, or *The Guardian* readers, that within days of a Labour Government taking office, whenever that may be, he will produce a medium-term economic strategy.

Mr. Maxton: In October 1987.

Mr. Rees: I am glad that the hon. Gentleman knows with such precision the day and outcome of the general election.

It is interesting to note that the right hon. Gentleman describes his policy as a medium-term economic strategy, not a medium-term financial strategy. I have got the point that the right hon. Gentleman, in his expansive way, is taking a broad view of the problem. Therefore, he should give us his broad views of the problems, instead of confining himself to one or two rather trumpery pieces of rhetoric. I hope that he will tell us what he would propose. As the hon. Member for Glasgow, Cathcart (Mr. Maxton) has told the House exactly when the general election will be, and what its outcome will be, the right hon. Gentleman will have devoted considerable thought to these matters and will no doubt produce his plan only a few days after the general election.

The right hon. Gentleman has not mentioned that plan in this debate. Nor was there a serious mention of the level of the borrowing requirement in his speech. This afternoon he resisted my blandishments again and described my question as ludicrous. Is it not a question which he would address in his medium-term economic strategy? The right hon. Gentleman did not mention the money supply. I pay tribute to him for the fact that in his interview with the *Tribune* on 10 May 1985 he said of the money supply:

"We shall regard it as a tool for managing the economy in the way that we want."

Perhaps he is to a tiny degree a monetarist. I welcome him to the club.

The right hon. Gentleman promises us a new form of non-enforceable social contract on pay with the trade union movement. I hope that that theme will be developed during the debate, because it will be particularly interesting to hear the views of the Liberal and Social

[Mr. Rees]

Democratic parties. They not only believe in a social contract, but believe that it should be statutory, enforceable and extended to prices.

Mr. Richard Wainwright (Colne Valley): Will the right hon. and learned Gentleman tell the House where he picked up the words "social contract" in either the Liberal or Social Democratic party manifestos?

Mr. Rees: I apologise deeply to the hon. Gentleman if he does not fancy the words "social contract". I thought that after the years when he and his hon. Friends underpinned the Labour Government, the words "social contract" had passed into Liberal and SDP currency. Perhaps the hon. Gentleman can catch your eye, Mr. Deputy Speaker, and explore such interesting semantic questions.

Even over a period of years the country will recall the failure of those policies. For a party which has put down this motion to take as the centre plank of its policies an incomes policy, enforceable or unenforceable—either of which in the long term is unenforceable in practice—reveals a remarkable failure of memory or an obstinate incapacity to learn. We can only murmur in the words of Dr. Johnson:

"The triumph of hope over experience".

The right hon. Gentleman has been more expansive on prices. In his *Tribune* interview of 10 May he said:

"I favour the reconstruction of price controls . . . but not blanket price controls . . . the sort of selective price controls that were beginning to evolve which prevented unreasonable price increases"—

not observable to the rest of the country—

" — increases that were the product of a company's monopolistic power in the economy and which prevented exploitation—I want to see again . . . Some sort of control on prices ought to be one of the sanctions we used to influence industrial behaviour.

The hon. Gentleman might have enlightened us on whether he believes in some sort of statutory control or arbitrary powers such as he was prone to use in 1978, or whether he merely advocates an increased and strengthened Monopolies and Mergers Commission. It appears that, while the right hon. Gentleman has forgotten the lessons which his Government learned painfully at our expense during the intervention in our affairs of the International Monetary Fund, he remembers the one aspect of policy which failed so signally in whatever form it was introduced.

I shall now deal with the more startling charges in the Opposition's motion—nationalised industry prices. To have a sensible debate on this issue it is important to establish, or re-establish, to return to, or not to leave, the facts, because they have been stated on many occasions from these Benches. The right hon. Gentleman gave the House some of the facts, but in a highly partisan and selective form.

Domestic electricity prices increased between 1974 and 1979 under the Labour Administration by 170 per cent., while between 1979 and February 1985 they increased by 84 per cent. The right hon. Gentleman is right to draw our attention to the fact that the rate of inflation was more acute in the period in which he presided as the protector of consumers than it has been under our Government at any time.

Industrial electricity prices increased between 1974 and 1979 by 133 per cent., compared with 65 per cent. between 1979 and 1985. Indeed, domestic electricity prices were frozen for two years to April 1984, and electricity price increases are expected to be at or below the rate of inflation during the next two years. In short, under the Labour Administration electricity prices increased by 2 per cent. every six weeks, whereas under the present Government they have increased by 2 per cent. during the past two years. I hope that my hon. Friend the Member for Harrow, West (Sir J. Page) will also record that particularly important point.*[Interruption.]* My hon. Friend can read *Hansard*, but hon. Gentlemen may be more disadvantaged.

Between 1974 and 1979, industrial gas prices rose by 288 per cent. If the competitiveness of British industry was a concern of the right hon. Gentleman, that is an extraordinary figure. Between 1979 and 1985, the increase was only 94 per cent.

Between 1974 and 1979, domestic gas prices increased by 73 per cent. Because gas remained substantially under priced in economic terms, which created severe distortions in the market, gas prices had to be increased in real terms during the following three years. Once that step had been taken, gas prices rose no faster than inflation. Domestic gas prices did not increase during the 15 months to January 1984, and Sir Denis Rooke told the Select Committee on Energy on 20 November 1984 that he expected to be able to hold gas prices to roughly the rate of inflation for the next three or four years because of efficiency savings.

Mr. Hattersley: I am trying to follow the logic of the Chief Secretary's argument. Does he believe that the Labour Government were wrong to increase those prices and, therefore, approach break-even? Would he have preferred us not to do that and to leave a bigger deficit for him to deal with when he came to office?

Mr. Rees: I am coming to the principle. I am sure that the right hon. Gentleman, who is well known for his courtesy in debates, will allow me to develop my speech. There is an important principle to be debated here. I hope that we will be able to establish a little common ground between the two sides of the House on the principle by which nationalised industry prices should be regulated. The right hon. Gentleman is right to say that we should focus on the general principle, and I shall derive much support from the White Paper which the Labour Government produced in 1978.

Mr. Tam Dalyell (Linlithgow) *rose*——

Mr. Rees: If the hon. Gentleman will allow me, I shall develop my speech. I am sure that he wants to make a relevant intervention, but I hope that he will have an opportunity to catch your eye, Mr. Deputy Speaker.

Under the Labour Administration, domestic water charges increased by 86 per cent., while between 1979 and February 1985 they increased by 83 per cent. Opposition Members will no doubt object to the fact that water charges are to be increased by about 11·5 per cent. this year, but they may have overlooked the fact that under the Labour Government the water authorities' investment declined by a third in real terms, while between 1979 and 1983 investment increased by a sixth in real terms.

In 1984-85 capital expenditure was about £750 million, and it will increase by almost £200 million by 1987-88. The right hon. Gentleman was anxious about the levels of investment. I remind him that during the last financial year

there were record levels of investment across the country totalling about £55 billion, and that is likely to be matched this year. I have drawn his attention to the figures for the water industry. That is why we have planned for higher water charges. Following a summer of drought last year, I hope that the country will see the good sense of that. It is pointless advocating increased investment in infrastructure if measures to pay for it are not supported.

I come now to the point raised so perceptively by the hon. Member for Copeland—to reflect on the principles which should underlie the pricing of nationalised industries. I assume that both the last Labour Government and this Government accept that the prices that industries charge should cover their marginal costs of supply, including a satisfactory return on the capital they employ. In case Opposition Members have forgotten, the energy policy Green Paper presented to Parliament by the right hon. Member for Chesterfield (Mr. Benn) in February 1978—I am sorry that he is not here to contribute to the debate—said:

"Energy prices should give both consumers and producers reasonably accurate signals about the costs of energy supply".

Those are impeccable economic sentiments.

"Underpricing encourages consumers to waste gas resources . . . prices should therefore at least cover the cost at which supplies can be provided on a continuing basis, while yielding an adequate return to investment."

I really wonder what we are debating.

If Opposition Members ask what is a reasonable return on investment, I can only refer them to the nationalised industry White Paper of March 1978, which indicated that the required rate of return on investment should, in normal circumstances, be 5 per cent. in real terms.

I have to admit that the required rate of return on capital for the gas industry, under its targets, is about 4 per cent., for the electricity industry about 3 per cent., and for the water industry under 2 per cent. That leads me to cite the well-worn words of Clive of India:

"I am astounded at my own moderation."

Mr. Dalyell: If I were to send the Treasury the evidence that West Lothian district council gave yesterday, figures and all, on the loss of income tax and many other related benefits in relation to the Polkemmet closure—which is the subject of a major public inquiry about the pit that was flooded—would I be assured of a full answer once the Treasury had the figures?

Mr. Rees: I should not like to commit myself until I have seen the hon. Gentleman's letter, as it may not be entirely a matter for my Department. I understand what the hon. Gentleman is saying about tax loss. I hope he recognises that whenever he and I have corresponded I have endeavoured to answer his questions very fully. I shall look at his letter, and if parts of it are matters for my right hon. and hon. Friends, I hope that he will forgive me if I pass it on to them.

Mr. Nicholas Budgen (Wolverhampton, South-West): Will my right hon. and learned Friend inform the House whether the figures for the rate of return on capital are on a current or a historic cost basis?

Mr. Rees: On a current-cost basis.

Mr. David Maclean (Penrith and The Border): We have been talking about revenue loss. There is one other statistic which I should like my right hon. and learned Friend to give me, which I could memorise and pass on to my constituents. How much has been lost to the country and to the energy industries as a result of the strike last year, led by Arthur Scargill and aided and abetted by Opposition Members?

Mr. Rees: My right hon. Friend the Chancellor of the Exchequer in his Budget, gave the best figure that we were able to provide for last year. It is a little too early to say exactly what the consequential costs will be for this year. If my hon. Friend tables a question later in the year, I hope to be able to oblige him. The figure will certainly be in hundreds of millions, not tens of millions.

Mr. Robert C. Brown (Newcastle upon Tyne, North): The debate is clearly about prices, costs and comparisons between this Government and the previous Labour Government. The one cost to which the Chief Secretary has not referred—and he should have done—is the human misery inflicted by the Government's policies. Will he make a comparison between the unemployment rate during the last 15 months of the Labour Government—when it was falling steadily—and the figure after six years of this Conservative Government, when 2 million more people are unemployed? If, as the Prime has suggested, getting inflation down to 3 per cent. will cost another 1 million jobs, will the Chief Secretary support that? Is that the price that we will have to pay?

Mr. Rees: I hope that I can deal with that intervention as courteously as I know how. If the hon. Gentleman will cast his mind back—although I do not know whether he was in the Chamber—he will recall that his right hon. Friend the Member for Sparkbrook said that the first priority for employment was the containment of inflation. That is my answer to the hon. Gentleman.

Even a most cursory examination of the facts must show that this is a most ill-conceived Opposition motion. The Government's record in reducing and containing inflation since 1979 is vastly superior to that of the previous Labour Government. Despite the last few months' figures, there is little reason to doubt that the RPI will be back on a declining path before long.

Our methods are plain and proven. We have a consistent strategy, which we have sustained for the past five years, and which we will sustain through the next five years. In 1980 we set out a medium-term financial strategy to promote honest finance and sound money. We have stuck to it and concentrated on what Governments can realistically influence. We have secured monetary conditions which are sufficiently restrictive to squeeze inflation out of the system. We have buttressed those with a fiscal policy which has put public borrowing on a sensible downward path.

Nor is there any conflict between reducing inflation and creating more jobs. The one is dependent upon the other, as the right hon. Member for Sparkbrook recognised in February 1978 and, perhaps more authoritatively, as the Bonn summit recognised in its communiqué. We reject, as the country has rejected on various occasions, the distortion, the inefficiency, the bureaucratic complexity of price controls, wage controls and dividend controls.

The Labour party—whether inside or outside the Chamber—has offered us nothing but a torrent of synthetic indignation and a tepid rehash of the policies of yesteryear.

The alliance, perhaps recalling the Lib-Lab pact of the 1970s out of which it was conceived, has offered us a

[Mr. Rees]

statutory prices and incomes policy—so much for its moderation, detachment and imagination. Our policies have been proved and they have yielded results. They provide a framework of success and stability for the years to come.

I invite my right hon. and hon. Friends to reject with contempt the Opposition motion and to support the Government amendment.

4.58 pm

Mr. Richard Wainwright (Colne Valley): Alliance Members welcome the opportunity provided today by the Labour segment of the Opposition to debate one of the most important indicators of Government economic policy —an indicator at the sharp end where things matter to people, not one of those intermediate targets discussed in terms of witchcraft and voodoo that have fatally beset Treasury Ministers during this and the previous Tory Administration.

It will be of interest throughout the country that at last the House of Commons is debating prices rather than monetary aggregates. The people of mid-Wales will listen to the debate on prices with rather more satisfaction than hitherto when they have had to listen to stories about M3 —which, when that proved to be a useless indicator of money, was changed to MO, which has now proved to be even more useless. We await the next fantastic indicator of monetary aggregates that the Government may dream up.

It is also a good time for the debate because, as everybody knows, the Government's medium-term financial strategy lies in ruins. The *Financial Times* this morning pronounced a stately funeral oration on the Chancellor's policies. The question of the hour, which I suppose will not be answered in today's debate, is how the Prime Minister can find someone reckless enough to come in to sweep aside the witchcraft and try to get the show on the road in reasonable economic terms. She has little time left before the run-up to the general election in which wholly to recast her financial and economic policies.

Some of the worst manifestations of state-imposed prices flow from the appalling mismanagement of interest rates during the regime of the present Chancellor. This country has the highest nominal interest rates of any major European country, or of Japan or the United States, except for Italy. Not only mortgage interest but interest paid by new and struggling business men has become crippling and has led to a record rate of bankruptcies and liquidations.

The Government orate about competition, but they are destroying real competition in many spheres of business. It is not the cash-rich monster companies or the companies that donate so generously to what they consider to be a Conservative party suffering from the record high real interest rates, but the very engines of competition, the small new businesses, the up and coming businesses, whose directors do not sit in lordly state but take their coats off, and, if they have to have a board meeting, have it in the gents because they are really running the business and making it go. Now many of them are going to the wall, not because of their own failings but because of the extortionate demands of the banking system.

Mr. John Maples (Lewisham, West): I am sure that we would all like to see lower interest rates not just for small businesses but for everyone. Having castigated the Government, does the hon. Gentleman agree that the two major influences on interest rates — oil prices and interest rates in the United States — are outside the control of the Government?

Mr. Wainwright: It is late in the day for the hon. Gentleman to echo the parrot cry of Treasury Ministers, who know better but have nothing else to say, that it is all the fault of United States interest rates. The hon. Gentleman must understand that prime rates today in the United States—thank goodness—are only 9·5 per cent. As everyone knows to his cost, prime commercial rates in this country are over 13·5 per cent. To blame the United States is not only years out of date but wholly fallacious.

The interest rate factor has a major effect in producing crippling price levels. Another obsession of the Government that is largely responsible is the Prime Minister's obsessive fear and hatred of any alternative centre of power. It is rumoured that she is even jealous of power at the highest level in the constitution, but that is not germane to this debate.

Wherever alternative sources of power exist, the Prime Minister is determined to root them out; hence the lunatic obsession with abolishing the metropolitan counties and the GLC. In many cases, it is local administration, local budgeting and local financial control that ensure a reasonably low level of keen pricing. The centralisation that is the driving motive of the Government, not just on Whitehall but on 10 Downing street, is pushing up the prices of a whole range of public utilities.

Mr. Francis Maude (Warwickshire, North): How can the hon. Gentleman square his concern with localising decision-making with his concern to introduce a statutory price control system?

Mr. Wainwright: On another occasion I should be delighted to lecture the hon. Gentleman on the fact that alliance incomes policy is decentralised to the greatest possible extent and would consist of local and regional tribunals which would make their own decisions in an arbitration fashion. If the hon. Gentleman is trying to tax us with a centralised incomes policy, he should look back to the Government of his right hon. Friend the Member for Old Bexley and Sidcup (Mr. Heath).

The cutting out of the transport support grant and the crippling of the passenger transport executives in all the metropolitan areas are having a disastrous effect on the successful policy of lower bus fares to encourage more passenger use.

Mr. Maxton: Particularly by Labour-controlled authorities.

Mr. Wainwright: By many authorities, some of them supported by Liberals.

One of the most significant giveaways in the social security Green Paper, which has just been debated by the House, is the crazy suggestion that free school meals should be abolished, and that instead the proposed family credit system should include sufficient cash to cover school meals for children of poor families. What an absurd centralisation of a service that is dealt with economically on a local basis. Anyone who reads the *Daily Telegraph* weekly bulletin of food costs will have noted the wide variations between different parts of the country. The provision of a uniform cash allowance, which would

inevitably have to cover the higher range of food costs, instead of allowing local education authorities to carry on their duty of providing free school meals economically, would add considerably to that branch of education costs.

The Government are even jealous of the water authorities, which were the creation of a previous Conservative Administration. The Prime Minister is not content with being able to control the nominations to those authorities and the appointment of their chairmen. She is not satisfied with enabling them to fix prices secretly, without the press being allowed to attend the meeting; she wants to interfere with the price mechanism that they adopt.

No doubt all hon. Members have taken note of the shrewd observations of the chairman of Thames water authority as to how the Government frustrated his authority's intention to make only a modest price increase. The Government insisted on a negative external financing limit which forced Thames water authority to put up its prices by about twice the rate of inflation. Interference with local decision-making is a major contributor to the scandal of unnecessary price rises in these important parts of the economy.

There is an even greater evil. Many of us used to think that the ultimate in selfish cruelty was the forced feeding of Strasbourg geese to provide pate de foie gras in fashionable restaurants. The fattening of public utilities to enable the Government to sell them off to people who have wealth to spare for such investments is an even greater cruelty inflicted on poor families and on people on moderate wage levels who have to pay the higher prices so that the Government may make dramatic sales of the public utilities to their friends and to the better off.

I do not believe that even the Prime Minister's Fleet street knights will be able to disguise this scandal for much longer. The electorate will cotton on to it or smell it out soon. It is a shoddy device aimed — I think unsuccessfully — at enabling the Government to make spectacular cuts in income tax on the eve of the election.

I remind the House what the Treasury and Civil Service Select Committee had to say about this sort of dodge in its third report earlier this year:

"We are also concerned at the Government's insistence on using nationalised industries' finances to offset public expenditure . . . it seems likely that the nationalised industries will resort to using their monopolistic power to raise prices."

That is exactly what has happened. It is happening throughout the whole range of nationalised and public utility prices which are mentioned in the motion. The Confederation of British Industry has observed with acerbity on the penalties which large industrial users of energy have to pay as compared with their competitors.

There is another aspect of state-administered prices which must be mentioned, because it is important for our younger generation and it is not mentioned in the motion. My right hon. and hon. Friends regard the recent increases in dental charges as a savage blow to good health and sensible preventive medicine. Since the present Prime Minister came to power, dental charges have increased from £7 to £17 for a treatment, plus an open-ended 40 per cent., which could make treatment cost as much as £110. That is an absurd way to encourage heathy practices among younger people.

We need a proper mechanism for controlling and monitoring the pricing policies of nationalised industries and all other nationwide public utilities. The alliance, given the opportunity, would ensure that all nationalised industry and public utility prices of nationwide application would be subject to specific and affirmative detailed approval in the House and to continuous monitoring thereafter.

Mr. Maxton: I am a little surprised at what the hon. Member is saying about a national price for electricity and gas. Surely he is aware that although, in Scotland, especially in the west of Scotland, electricity and gas prices are marginally lower than in other parts of the United Kingdom, the total amount spent in a year on energy by people in that area is 20 per cent. higher than in the south of England. Surely that difference ought to be taken into account.

Mr. Wainwright: Yes, indeed, and the matter should be debated in the House. Nothing that I have said, as the hon. Gentleman will find when he reads *Hansard* tomorrow, suggests there should be a uniform price throughout the country. The pricing policies of these industries should be debated fully and not on some obscure order late at night. They should be subject to major and proper debate.

I must protest at the shoddy procedure into which the House has slipped recently — debating the public expenditure White Paper on a take note motion. At the end of such a debate, the Government — the Secretary of State for the Environment is the worst offender — take the House's decision as meaning approval of everything in the public expenditure White Paper. That is contrary to the facts, because the House merely takes note of the White Paper. It is also contrary to reason, because a vast area of public expenditure, including estimated local government expenditure, cannot possibly be settled in one or two days of debate. The proper procedure is to disentangle those various items into their separate components and to debate and vote on them on a substantive motion.

We shall not get out of this dreadful plight until the management of the economy is put on a realistic basis and the Government's targets are employment, prices and the exchange rate. Until there is a greater disposition to encourage locally administered pricing and local control of services, we shall not get the best bargain or the best value for money for taxpayers and ratepayers. Because the Government have signally failed on this count, Liberal Members will join the Labour segment of the Opposition in the Division Lobby tonight.

5.15 pm

Mr. Martin Brandon-Bravo (Nottingham, South): The circumstances of this debate are extraordinary. The public would be forgiven if they were not aware that this afternoon's debate has been called by the Opposition because they feel there is an important subject to debate. But what do we see? One duty shadow Minister on the Front Bench, I believe two Opposition Whips and someone who sits there more in hope than in anger. Such is the seriousness with which the Opposition treat this debate.

Mr. Austin Mitchell (Great Grimsby): Only because the hon. Gentleman is here.

Mr. Brandon-Bravo: With respect to the intervention from the television personality——

Mr. Maxton: Do not praise him.

Mr. Brandon-Bravo: I would not praise him—no, Sir.

Not surprisingly, I oppose the motion and support the amendment. It is also not surprising that the Opposition have the nerve to table a motion in these terms. I well understand that oft-used phrase, "It is politics, lad." The Opposition must think that we are a nation of fools if they expect us to believe that, with Labour in government—Heaven forbid — public sector prices would remain steady and all would be well with the long-term health of the nation.

I recall a certain right hon. Opposition Member saying after the last general election that the Labour party had promised to spend £17 billion without any thought for how such enormous expenditure could be funded. He then implied that the electorate were not fools and rejected Labour's manifesto. We are two years on and the Labour party is at it again, in the vain hope that just enough people will fall for such irresponsible and undeliverable nonsense.

During the past two years, no matter what subject is being debated, the Labour party has announced that, if it were in government, it would spend X amount more. If we sat down with pen and paper and added up all these X amounts we would probably exceed the £17 billion that the right hon. Gentleman to whom I referred said was bogus in the first place. The Government have been involved in the rise in gas, electricity and water charges and, if we are honest, why should they not? They are national resources and their use and management are the long-term, if not day-to-day, concern of the Government of the day. The absence of any cost balance between the competing types of fuel under the last Labour Government left commercial and domestic consumers in an unreal and unstable position.

The House will recall that, under Labour, the cost of gas to domestic users was reduced in real terms but that commercial users faced massive increases. My right hon. and learned Friend the Chief Secretary to the Treasury mentioned those increases. I suppose that it can be said, without fear of contradiction, that there were short-term votes to be had but long-term damage to industry—but then, the Labour party rarely concerns itself with the long term. The problems of industry, if the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) is to be believed, began only in 1979.

My own company relied heavily on the constant supply of steam for its manufacturing process. We had a dual-fired boiler—we could switch instantly from gas to oil—originally to cover us against strike action. We would have had a triple choice if it had been technically possible or available. That was around 1972. The point I am making is that we were lucky, we had and made a choice while there was time. Many commercial users did not and they were stuck with an expensive fuel source, either because at that time gas simply was not available or the demand to be converted to gas was refused. Then, in a couple of years, as the House knows, the Labour Government increased gas charges for industry in real terms by, I believe, 112 per cent.

I said that we were lucky. Indeed we were. We had a commercial advantage in those years over other users. But I am not sure that it was fair or just, and certainly it was not in the national interest. Energy prices are the concern of what ever party is in government and so long as the guidance is objective and rational I see no criticism of that involvement.

I pay water rates, like everybody else, and I do not like it any more than they do. I find it extraordinary, however, that demands for greater investment in our water supply and sewage and for environmental provision are wholly at variance with the implications by Her Majesty's Opposition that the cash for those provisions should not be generated from within the water industry. The money has to come from somewhere. That is not to say that I like the present method of assessment of water rates—I most certainly do not—but the principle that the industry should generate its own resources is not, in my view, unreasonable.

I take it that the reference to rents is directed to the public sector of council properties; again I say, why not? We have seen much hand-wringing on this subject. It will be recalled that the hon. Member for Bootle (Mr. Roberts) said that when he was chairman of his local authority's housing department rents remained static. He forgot to consider that there was perhaps a link between his policy of static rents and the deplorable state that he admitted his housing stock got into. Clearly, the lack of a sensible renting policy led directly to a decline in the quality of the housing stock in the hon. Gentleman's constituency.

I believe that it is sound common sense in both the long and the short term to have a rent policy that provides the necessary income to ensure that housing stock is kept up to scratch and provides the necessary surplus to ensure security and make proper environmental provisions on all estates and in all flats and tower blocks. Whatever party is in government then has the duty to ensure that those who cannot meet those reasonable rents get the necessary financial help. Static rents and declining standards of provision help no one—certainly not those in need. Furthermore, an aggressive right to buy policy produces much revenue for a local authority with which to improve the position of those who, for whatever reason, wish or have to stay in rented accommodation.

The hon. Member for Copeland (Dr. Cunningham), the hopeful shadow Minister, laughs.

Dr. Cunningham: I thank the hon. Gentleman for giving way. The reason I was smiling was that he was suggesting that capital receipts from the sale of council houses were available to local authorities at their discretion. He clearly does not understand the policies of the Government he is supporting, because he must surely know—he ought to know—that capital receipts are more heavily controlled and restricted by this Government than ever before and that councils cannot spend their own money in the way they want.

Mr. Brandon-Bravo: Perhaps, if the hon. Gentleman had been listening instead of dreaming of greater things, he would recall—he can check *Hansard* tomorrow—that I said quite clearly "produces much revenue for local authorities". If he will stop grinning for just two seconds, I should like to point out to him that the revenue gain from the right to buy policy in my local authority was greater than the subsidy lost as a result of Government policy. This has nothing whatever to do with capital receipts. Perhaps if the hon. Gentleman studied his subject a little more instead of trotting out the usual knee-jerk reaction to capital spending, he might be able to contribute a little more accurately.

I emphasise that, in our local authority, the profit—not capital receipts—that flowed from the right to buy more than made up for any loss of subsidy.

I am puzzled by the criticism of bus fares, because I believe that the Opposition are on very shaky ground here. Certainly, from my own experience, this Government have not forced local authorities to put up bus fares.

Mr. Maxton: Where do you live?

Mr. Brandon-Bravo: I live in Nottingham, a most beautiful city, in the centre of this fair land.

Most sensible local authorities have raised bus fares in line with real costs, inflation and the need for sensible provision for capital replacement. I see nothing wrong in that policy and therefore certainly cannot see how any criticism of the Government can be made. But some authorities—the hon. Member for Leeds, Central (Mr. Fatchett), who sits in hope and anger, will probably say, "Hear, hear," to this—have simply said, "Where are their votes? Let us dump the rising cost of provision on to the rates. Let commerce and industry pick up the bill; they do not have a say in local affairs." That, sadly, has been the practice in the republic of Sheffield and in other areas like it.

I come to yet another item on this agenda. I, too, have a mortgage and I, too, do not like the higher charges. Buying one's own home is the best investment of one's life and, if it is a strain to begin with, at least it is a declining cost in real terms on an increasing asset. If recent statistics are anything to go by, my advice to council tenants is to make a start now. The current situation, because of high interest rates is holding house prices static. We should make no mistake, however—interest rates will come down and house prices will then rise. So I say again to council tenants that they should make a start now because, whoever is in control of their local authority in future years, one thing is absolutely certain—rents will rise substantially over the lifetime of their mortgage and those who are paying rent will at the end have nothing to show for it.

Mr. Maxton: Does the hon. Gentleman give the same advice to the 13 per cent. of the council house tenants in my constituency who are unemployed, with only unemployment benefit or supplementary benefit? Does he say to them that they should start to consider purchasing their houses?

Mr. Brandon-Bravo: I should like to be able to say yes to the hon. Gentleman. However, I do not believe that there is any logic or sense in saying that if everybody cannot have something, nobody should have it. I hope sincerely for a rapid decline in the percentage of unemployment in the hon. Gentleman's constituency and I hope that in due time his constituents will be able to buy their own homes. I also hope that the present system, with the Government helping even the unemployed to buy their own homes by means of assistance on mortgage interest, will be supported. I hope that the hon. Gentleman will agree that that is a right and proper provision.

On this matter of mortgages and mortgage interest rates, I do not think that we should forget the reality that, while higher mortgage charges are short-term pain for some of us who pay them, they often represent for others—frequently old-age pensioners with just a little bit put by—a little bit of much-needed extra income. That other side of the mortgage equation is often forgotten. I am not sure what the figures are, but I believe that about five or six times as many people have a little money in building societies as are currently borrowing from those societies.

Most important of all, if all these matters were held down by simple Government intervention and funded, as indeed they would have to be, by higher direct or indirect taxation, we would find that we had embarked on yet another horrendous upward twist to unemployment—and that national tragedy is monstrous enough already. We may have a long haul, but I believe that over the past few years the policies that a Labour Government would have imposed would have been ruinous. Our sound money policies are the best long-term future for this country and for all concerned.

5.31 pm

Mr. Derek Fatchett (Leeds, Central): It is always fascinating to engage in a debate when what one intends to say has been trailed with so much interest by the previous speaker. Before replying to some of the points made by the hon. Member for Nottingham, South (Mr. Brandon-Bravo), I wish to refer to the speech of the hon. Member for Colne Valley (Mr. Wainwright). I was disappointed to hear the announcement of a split in the alliance that was so evident at the end of the hon. Gentleman's speech. He said that the Liberals would be supporting the Opposition tonight, but he could not speak for the Social Democratic segment of the alliance. I am not surprised that he cannot speak for the Social Democrats. It is a difficult task, given that the nature of that organisation is such that only one person speaks for it. It is sad that there should be such a sharp division in the alliance, particularly at a time when, to some extent, it may be trying to paper over the cracks.

The hon. Member for Colne Valley has sung the praises of cheap public transport. That delighted me, because I am a great believer in the political process of conversion and persuasion. It is a pity that the hon. Gentleman is no longer present. If he were, he would recall that, when the Labour party was elected to office in west Yorkshire in 1981, very much on the basis of a public transport policy, it had to seek a supplementary rate to implement that policy, and it may come as no surprise to learn that it ran into certain opposition from Liberal councillors. The memory of the hon. Member for Colne Valley may be somewhat clouded on this issue, or perhaps it is useful to talk about a Liberal commitment to cheap transport while forgetting its record in other respects.

Mr. Maxton: It could be that the argument advanced by the hon. Member for Colne Valley (Mr. Wainwright) for decentralisation and regional and local decision taking extends to Liberal policy matters as well.

Mr. Fatchett: That is a valid point. Many of us read the Liberal newsletters with interest, which reveal differences up and down the country, and, indeed, from ward to ward. However, I shall not be tempted into going down that path as it takes us away from the major issues in the debate.

The hon. Member for Nottingham, South made several points that to some extent I dispute. On capital receipts and the right to buy, it was peculiar that he did not bring himself up to date with the current regulations. That point was made by my hon. Friend the Member for Copeland (Dr. Cunningham).

Earlier this afternoon, I went with a delegation of tenants from Leeds to see the Minister for Housing and Construction. He asked, "How much money will Leeds

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raise this year in terms of capital receipts?" He was told that it would be in the region of £5 million, but that only £1 million could be spent. Given the keen interest of the hon. Member for Nottingham, South in the sale of assets, I should have thought that he would be keen to ensure that local authorities should be able to spend much more than 20 per cent. of the sum raised in that way.

Mr. Brandon-Bravo: The hon. Gentleman appears to be even less informed than his hon. Friend the Member for Copeland (Dr. Cunningham). I was not talking about capital receipts. When a council house is sold and a local authority acts as the estate agent and building society, that authority makes a profit on the interest, just as a building society does. I assure the hon. Gentleman that in Nottingham that profit, which has nothing to do with capital receipts, is about £7 million—well in excess of the loss of Government grant.

Mr. Fatchett: Many studies of Nottingham would challenge those figures and suggest substantial revenue losses there. I was referring to the capital implications arising from the sale of houses in terms of capital receipts.

The hon. Gentleman also talked about bus fares and said that Labour authorities had held down for cheap, short-term political gain. That is strange. If it was for cheap, short-term political gain, why did the Government run away fom this year's metropolitan county council elections in areas which operate cheap transport policies? If his argument was so correct, would it not have been appropriate for the Conservative party to hold those elections and to put that view to the electorate in order to gain support? I am convinced that there would have been an endorsement of the cheap fares policy among many county councils, but the Government removed the right to vote from 13 million people.

Subsidised public transport may well be of great help to industry. Indeed, there is evidence to suggest that such policies are popular not only with the electorate but with commercial interests in city centres. In areas that have pursued such policies, there has been very little opposition from commercial interests. Therefore, it may be worthwhile for the hon. Gentleman to pursue those matters further.

The Chief Secretary regularly spoke of sound finance, to which he seemed to attribute a sacrosanct definition. That may well be the subject of much argument, but I make the assumption that there is a sacrosanct definition that allows us to understand exactly what sound finance means. To make that concept a reality in terms of managing the economy, one must turn sound finance into pounds and pence in relation to the PSBR, targets for monetary growth and various other measurements of monetary aggregates.

I indict the Government not for getting caught up in damaging dogma, but for the fact that, even in terms of their own dogma, they have been regressive and redistributive, and have pushed the burden of their policies on to the weakest members of our community. If a figure for the PSBR is needed and it is decided that it should be sacrosanct and cannot be altered, one can arrive at it by various means. In other words, the objective can be set, but the means can vary.

The Government cause the public anxiety because their methods push the burdens in one direction. We have discussed rents, mortgage costs, water rates and the cost of fuel. Those burdens have increased as a result of Government policies. The Government have no need to go in that direction, even on the basis of their own targets, but the means chosen are redistributive. It is a simple test to consider those burdens alongside the cuts in taxation for the rich in our society. The burden has been taken off the rich and has increased on those least able to carry it. That is my indictment and the country's indictment of the Government.

Mr. Nicholls: It appears that the hon. Gentleman is honest enough to admit that taxes will have to increase if a Labour Government come to office. In fairness to the hon. Gentleman, he is prepared to consider a problem which the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) avoided. The hon. Gentleman has implied an increase in the PSBR. Will he tell us by how much the next Labour Government—if there ever is one—would increase the PSBR?

Mr. Fatchett: I get somewhat disappointed with the hon. Gentleman. He rises regularly with enthusiastic questions, but one feels that he wastes most of his energy getting up and it is not reproduced intellectually. If the hon. Member had been listening, he would have realised that I was arguing within the limitations of the sacrosanct dogma of the Government. Many other arguments could be made, and I am sure some of my hon. Friends will make them.

According to the Government, rates have become a major domestic burden. The Government tell us that the rate burden is so great that they will do something about it. The Prime Minister has rates at the top of her agenda, although I suspect that football hooliganism and violence have now taken over. The Government have not yet produced any legislation on rates. The abolition of rates was at the top of the agenda in 1974, 1979 and 1983, and I suspect that it will be in 1987. Rates have become an acute embarrassment to the Government as a direct result of their policies.

The projection by the Chartered Institute of Public Finance and Accountancy for 1985-86 is that local government expenditure will increase by 2·9 per cent. That is considerably less than the rate of inflation. However, the average domestic rate bill is estimated to increase this year by 9 per cent. We have an increase in spending of 2·9 per cent. but an increase in the cost to the domestic ratepayer of 9 per cent., which is above the current rate of inflation. As the Under-Secretary seems to acknowledge, the individual ratepayer is paying more but getting less value in services. Those who have served in local government will recognise that that means pressure from ratepayers and tenants for better services, yet the squeeze continues and the bills and rents go up. The Government have forced a reduction in services, but at the same time they have forced the average domestic ratepayer to pay more. That has come about because, given the sacrosanct nature of the Government's targets, they have cut central Government support to local government, thus forcing up rates and reducing services. The Government are thrashing around trying to find an alternative to rates, but they are creating problems in the current rating system.

The Government could get rid of many of their problems with the rating system if they would give back the money that they have taken from local government, but

they are not prepared to do that. They have reduced the level of rate support grant funded from 62 per cent. under the Labour Government to about 46 per cent. now. That vacuum, created by the Government, is pushing up rates and increasing the burden on individual ratepayers. The Government must explain to the country why they have adopted a policy of rate increases above the rate of inflation.

Mr. Brandon-Bravo: No one disputes that rate support grant has diminished, but I hope that the hon. Gentleman will be honest enough to admit that the process began under the Labour Government. More specifically, will he confirm that, despite a reduction of rate support grant in percentage terms, his city and mine, like others with special needs, have had additional specific grants and are thus no worse off and that the combination of rate support grant and additional specific grant means that many programme authorities are better off than before? Does he admit that that is true?

Mr. Fatchett: I think that that is very far from the truth. The equation certainly does not work in that way in Leeds. Like so many other cities, we have lost money as a result of the Government's cuts in rate support grant.

I make the challenge once again. Why have the Government followed a deliberate policy of pushing up rates? If rates are a regressive tax, why are the Government increasing them? The Government's pricing policy is redistributive from the poor to the rich. The Government have not yet answered that indictment, but sooner or later they will have to do so. Moreover, I suspect that if the hon. Member for Nottingham, South goes to the Minister on this, he will get a correction rather than confirmation of his claim.

I repeat, if the Government are so concerned about local government finance and the rating system, why will they not give local authorities a chance and give back the money that they have taken from them?

Government policy on public sector housing costs and rents is equally absurd and redistributive from poor to rich. At 1983-84 price levels, public housing subsidies in England and Wales amounted to £1,852 million in 1979-80, but only £391 million in 1983-84. In other words, the Government have taken £1,500 million out of public housing subsidy. In so doing, they have pushed up council house rents, again placing the burden on those least able to afford it.

Mr. Austin Mitchell: I warn my hon. Friend to be prepared for more Conservative interventions of the asinine character that we have seen so far. One wonders where they come from and whether it is the role of civil servants to brief Tory Back Benchers on their inaccuracies.

Mr. Fatchett: I am grateful to my hon. Friend for his concern about my future safety.

Mr. Maxton: On a point of order, Mr. Deputy Speaker. My hon. Friend the Member for Great Grimsby (Mr. Mitchell) has raised an important constitutional issue and I ask you, Mr. Deputy Speaker, to resolve it. It is my understanding that every Back Bencher in this place enjoys equality. That applies whether the individual sits on the Government Benches or on the Opposition Benches. If a Minister is prepared to assure me that I can approach those who sit in the civil servants' Box to consult them on figures, I shall be prepared to accept that the action of the hon. Member for Nottingham, South (Mr. Brandon-Bravo) was legitimate. If I am told by you, Mr. Deputy Speaker, that it would be out of order for me to talk to those who occupy the civil servants' Box, an important issue will have been raised.

Mr. Deputy Speaker (Mr. Harold Walker): I cannot see any Boxes. If an hon. Member goes behind my Chair, he is outside the House. If an hon. Member does so, who he talks to and what he does have nothing to do with me.

Mr. Brandon-Bravo: Further to that point of order, Mr. Deputy Speaker. I can assure you, Mr. Deputy Speaker, that I had a conversation with those in the civil servants' Box and that no questions were asked.

Mr. Michael Forsyth (Stirling): On a point of order, Mr. Deputy Speaker. Is it in order for Labour Members to introduce filibustering tactics to spin out the debate when one of their colleagues is addressing the House?

Mr. Deputy Speaker: The hon. Gentleman's point of order is bordering on the bogus. He is committing the sin of which he is complaining.

Mr. Fatchett: In a sense, Mr. Deputy Speaker, I am grateful for your ruling. I accord with it, of course. You cannot see what happens behind your Chair, but if anything happens behind it that educates Conservative Members, that activity has a value. That is the point that I was about to make to my hon. Friend the Member for Great Grimsby (Mr. Mitchell).

Before I was interrupted by the points of order, I was saying that cuts in housing subsidies and rents have increased and that the consequent burden has been placed on those least able to carry it. The total spent on public housing has declined by about 28 per cent. since the Government took office. That is a sign of the low priority that the Government accord to public sector housing.

The cuts and the administrative chaos that has been created by the Government should be a cause of concern for Conservative Members. The social security reviews tell us that there has been a sharp increase in the money spent on housing benefit. The forerunner to the housing benefit scheme was the rent and rate rebate scheme, the cost of which was £1,380 million in 1979-80. By 1983-84 the expenditure on housing benefit was £3,790 million. The latest estimate of expenditure on housing benefit for 1984-85 is £4,160 million. The benefit will be taken up by about 7 million households. That means that basically one in three households would be claiming housing benefit. By taking money away from public sector housing in terms of rate subsidy, the Government will cause many more people to claim housing benefit.

The Government are saying that they cannot afford to continue the housing benefit scheme and that they will have to make cuts in it. The direct result will be more and more people finding themselves with housing costs that are difficult to meet and with burdens that are difficult or impossible to carry. Again, that will be the direct result of Government policy.

There have been increases in rents in the public sector and local government finance has been cut. There have been savage increases in water rates. When the Chief Secretary to the Treasury said that the rate of return of the water authorities was under 2 per cent. and that the target set in the White Paper of 5 per cent. was not being met,

[Mr. Fatchett]

I was fearful that that was the prelude to an announcement of even further increases in water rates in subsequent years. Water rates are yet another example of the burden that is being carried by those least able to bear it.

The effect of the Government's economic policy can be described only as socially divisive. It has deliberately increased unemployment, and unemployment has been used as a tool of economic management. The Government's economic policy has pushed up prices in a way that again can only be described as socially divisive. At the same time, the Government have given priority in their taxation policy to benefiting the rich and the very rich. A Government who behave in that way stand indicted before the public. The Government's priorities are wrong and need to be reversed. The reality is that they can be reversed only when the Government are kicked out of office and we have a Labour Government who are committed to social justice and economic efficiency.

5.55 pm

Mr. John Maples (Lewisham, West): It is interesting that, in a debate on prices called by the Opposition, the only Labour Back Bencher to participate in the debate so far, the hon. Member for Leeds, Central (Mr. Fatchett), should make an interesting speech about local authorities and housing finance.

Mr. Maxton: Read the Order Paper.

Mr. Maples: The hon. Gentleman is interjecting from a sedentary position, as he does frequently in Committee. Essentially, the hon. Member for Leeds, East made a speech about local government and housing finance.

Mr. Maxton: Will the hon. Gentleman give way?

Mr. Maples: I have only just begun my speech. I am sure that the hon. Member for Glasgow, Cathcart (Mr. Maxton) will be able to catch your eye, Mr. Deputy Speaker, if he wishes later to contribute to the debate.

Perhaps the hon. Member for Leeds, Central was as surprised as my right hon. and hon. Friends and I were when the Opposition chose inflation and prices as a subject for debate. For Conservative Members, it is rather like being asked to debate crime with the inhabitants of Wormwood Scrubs. The Opposition have chosen an astounding subject for debate.

Mr. Fatchett: It might be useful to remind the hon. Gentleman of the motion that appears on the Order Paper in the name of my right hon. Friend the Leader of the Opposition. The motion refers to the Government

"intentionally increasing public sector prices".

It refers to a range of items, including rents, rates and water charges. Those items are central to the motion. It is a sign of the priorities of Conservative Members when they take the view that water charges, rents and rates are not important to the British people.

Mr. Maples: I was not trespassing on your authority, Mr. Deputy Speaker, in suggesting that the hon. Gentleman was outside the terms of the motion. However, it is interesting that, in a debate that is generally about prices—certainly one would gain that impression from those who have spoken from the Front Benches—an Opposition Back Bencher should address himself to the narrow topic of local authority finance, interesting and relevant though that is.

As my right hon. and learned Friend the Chief Secretary to the Treasury observed, although the increase in the RPI tipped 7 per cent. this week—the Opposition were fortunate that that should happen shortly before the motion came before the House—that percentage is lower than the increase for every month of the period that the previous Labour Government were in office.

My right hon. and learned Friend could well have responded to the debate by putting that fact on a continuous tape and playing it for 20 minutes. It is all that needs to be said in answer to the assertion that a Labour Government would do better in controlling inflation. It is perhaps for that reason that there are so few Labour Members in the Chamber. Perhaps I should be more charitable and assume that they are filling the Labour benches at Ascot. On reflection, if that were so, the hon. Member for Great Grimsby would be there.

Under the previous Labour Government, the retail price index increased by over 100 per cent. and the average increase was 15 per cent. a year. Over the past five years of this Government, it has increased by 50 per cent. If one takes account of the fluctuations that have been caused by changes in the mortgage interest rate, the increase has been about 5 per cent. for over three years. Our inheritance from the previous Labour Government was an increase in the RPI of very nearly 20 per cent.

Mr. Austin Mitchell: That was not an inheritance. The Conservative Government increased the RPI when they took office in 1979.

Mr. Maples: When the Conservative Government took over from the previous Labour Government, inflation was rising. After the Conservative Government had been in office for four months, inflation was 17·5 per cent. Almost anyone who studies these matters will agree that that was the result of the policies of the Labour Government. The Government have been successful in bringing inflation down to 5 per cent. and in keeping it pretty steady at that level. That is a considerable and creditable achievement by the Government. It is difficult for Conservative members to take criticism on that front from those who succeeded in doubling prices over a period of five years. It is particularly galling to take it from the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley), who was Secretary of State for Prices and Consumer Protection for much of that period.

We should not forget that a partner in that duet of Secretaries of State during those five years was the present president, I believe, of the SDP. In October 1974, she told us that inflation was running at, I think, 8·4 per cent., only for us to find out about six months later that it was running at more than 20 per cent. The only thing that temporarily reduced inflation under the Labour Government was the intervention of the IMF. By the time the Labour Government left office, inflation was once again rising and a considerable number of blank cheques were left for their successors to pick up. To put the right hon. Member for Sparkbrook back in charge of prices and inflation in order for him to have a second go would be a bit like the Irishman who lost £100 on the cup final; £50 on the match and £50 on the action replay.

The Opposition make a great deal of nationalised industry prices, so it is worth looking at our respective records in two or three cases. Nationalised industry prices are important to the consumer, and are a substantial

element of industrial costs. The motion criticises us for increases in the electricity tariff. In the past three years, electricity prices have risen by an average of 2 per cent. a year, but they rose by the now well-known figure of 2 per cent. every six weeks under the last Labour Government.

Under this Government, there has been a fall of 8 per cent. in real terms over the past three years. The one utility where the Opposition can claim to have reduced prices, or at least not to have increased them by much, is gas, and more specifically, domestic gas prices. However, the Labour Government deliberately suppressed domestic gas prices and increased industrial gas prices. Indeed, they increased industrial gas prices by more than 100 per cent. in real terms during that period. That was a very short-sighted and self-defeating policy.

The policy led, by 1979, to selling gas to domestic consumers at a loss, which cannot make any sense. It was also nonsense for the importance of such elements as efficiency and resource allocation in industrial costs, the creation of employment and the holding down of prices in the industrial sector. There is fairly good authority for that in the Labour Government's Green Paper on energy policy, which was published when the then Secretary of State for Energy was the present right hon. Member for Chesterfield (Mr. Benn). That Green Paper said:

"Energy prices should give both customers and producers reasonably accurate signals about the cost of energy supply. Under-pricing encourages consumers to waste scarce resources and may discourage additional supplies."

None of us could claim to be able to put it any better than that.

The Conservative party was left to correct that situation when it came into office, and it has done so. But it is worth reflecting on what happened to some other nationalised industry prices between 1974 and 1979. The cost of telephone calls rose by 200 per cent., of rail fares by 153 per cent., of domestic coal by 150 per cent. and of the post by 133 per cent. Given the Labour party's record, we do not need any lectures or instructions on nationalised industry prices.

Despite our differences in approach to other matters, all hon. Members would like to see inflation fall still further. No doubt there are almost as many opinions as there are economists, but we could probably all agree on a shortlist of inflationary causes. I believe that they fall into two groups: those that affect the demand side, and those that affect the cost side. On the demand side, I would put money, the creation of credit and to some extent wages. On the cost side, I would say that wages are perhaps the biggest factor, although commodity prices and interest rates are also involved.

On the demand side, the expansion of the money supply and the rate at which consumer credit is created are obviously enormous factors. There are a variety of causes for them, such as the level of the public sector borrowing requirement, the level of interest rates, the rate at which bank lending is expanding, loan demands, credit terms and so on. We have a certain amount of control over some of those factors. For example, we have some control over the level of the PSBR. We also have some qualitative controls that we can exercise over consumer lending.

In addition, taxation policies can have some effect. Unfortunately the hon. Member for Colne Valley (Mr. Wainwright) is not in the Chamber at present, but he took issue with me over what was the main factor in the level of interest rates. I believe that, although we have some control and influence over domestic interest rates through domestic economic policies, it would be a terrible mistake to assume that we could buck the trend of worldwide and American interest rates, particularly when there is some doubt about oil prices and their importance for the strength of the pound and our balance of payments. Unfortunately, such things are outside our control.

A variety of market forces, both national and international, are at work. If the money supply is squeezed too hard, the velocity of its circulation simply increases to compensate for that. Thus, although there are some elements of control which we are using, there are also some factors over which we do not have any control. In addition, we have very limited control over other factors.

On the cost side, many commodity prices are also largely outside our control, except to the extent that the exchange rate influences their performance as input prices to British industry. We have considerable influence over the prices of commodities produced in Britain and particularly over the prices of nationalised industry products such as energy. In such cases, one person's price is another person's cost, and it is vital to try to keep nationalised industry prices as low as possible and to try to keep rises reasonable, so that they do not become an exorbitant cost to the industries or their customers. This Government have made considerable progress in improving the efficiency of nationalised industries in an effort to keep down industrial costs.

The reduction in corporation tax, which represents a substantial cost to companies, businesses and producers, and the reduction in national insurance contributions for employers are very positive steps towards controlling price rises. However, I should like us to go a little further with employer's national insurance contribution. Wherever the Government have a direct influence over industrial costs, they would do well to exercise it as much as possible in a downward direction. That would also have a beneficial effect on employment, and there may be more that we can do there.

The difficult question is that of wages. Unit labour costs are a vital ingredient in our international competitiveness. High wages are fine if they are earned in increased productivity. If they are earned from profits, that is fine. However, if they are paid in a way that results in price increases, they must inevitably end up being inflationary. Under the last Labour Government wages rose by 140 per cent. During the same period, we saw output fall by 4 per cent. That must be a recipe for inflation.

We must see a general moderation in wage and salary rises in the private sector, because the interrelation of unit costs and international competitiveness is vital. One of the big factors, particularly under the Labour Government, was the enormous upward pressure on wages that was generated by the trade unions. Unfortunately, we now see the Labour party in opposition supporting almost every wage demand that comes along, regardless of its merits, or of its consequences for inflation or the competitiveness of the industry involved. Labour Members know from their experience in government that they cannot go on doing that. That is what eventually landed them in a lot of trouble. Moderation is a vital factor in controlling inflation.

The control of pay in the public sector involves some other considerable, but different, difficulties. It will be difficult to continue to maintain a level of general wage

[Mr. Maples]

increases in the public sector that is considerably below that in the private sector. It was reasonable to expect to do it for a certain period, as there are other compensating advantages in the public sector, but we cannot go on for ever. We must look at ways of trying to find a more flexible framework for discussing, and deciding on public sector pay increases.

Mr. Gerald Bermingham (St. Helens, South): Perhaps the hon. Gentleman can explain why, for example, in the recent Army pay settlement, those holding the most senior ranks seemed to obtain a much higher percentage than those who hold the most junior ranks. Indeed, it would seem from recent industrial settlements that those who are chairmen and managing directors of very large public companies obtain much higher percentage pay increases than those who produce the goods on the shop floor. Does the hon. Gentleman not agree that there seems to be an inequality in our society these days, in that, the higher up someone gets, the more likely he is to receive an enhanced rate of pay? Those at the bottom of the pile seem to get very little.

Mr. Maples: I do not know about that, but it is a perhaps unfortunate fact that senior executives among the top three or four executives in major international companies work in an international market. If we do not pay the salaries which they can earn abroad, they are likely to move abroad. That has already happened. The salaries paid here are nothing like as high as in the United States. I agree that that creates an extraordinary discrepancy, but few people can command such large salaries.

The cost to a large company of paying its chairman £100,000 is minuscule compared with the cost of giving all its employees a 10 per cent. pay rise. Raising unit labour costs has an impact on the international competitiveness of a company. The argument by the hon. Member for St. Helens, South (Mr. Bermingham) is valid, but he is really talking about a public relations exercise which does not have enormous economic consequences.

If artificial efforts are made to hold down the salaries of top executives, many of them will move to the United States where they will be paid considerably more.

It would be interesting, in the context of both private and public sector pay, to know exactly how the Labour party proposes to deal with the problem. I understood that the hon. Member for Copeland (Dr. Cunningham) was to reply on behalf of the Opposition, but perhaps the hon. Member for Birmingham, Perry Barr (Mr. Rooker), who is present now, can tell us. We know that the Labour party favours an incomes policy because the right hon. Member for Sparkbrook has mentioned it on several occasions and that usually causes him trouble in some parts of the Labour party. He says that he does not favour a coercive incomes policy but he has said:

> "We ought to become the party of an incomes policy, but I do not want a statutory incomes policy and I do not want a coercive incomes policy."

Exactly what kind of incomes policy does he want?

The nub of the debate should be to ask which party has the best chance of bringing inflation down. The Conservative Government have succeeded in bringing it down from nearly 20 per cent. to 5 per cent. Which party has the best chance of bringing inflation down from 5 per cent. to zero? It is obvious that that is more difficult than bringing it down to 5 per cent.

Is the best prospect to be found in the continuation of the present Government's policies? The answer must be yes. With the promotion of efficiency in the public and private sectors, a sound public sector financial policy with the public sector borrowing requirement and public spending under control, with a reasonable control over the money supply and bank lending, and with moderate wage demands, we have a reasonable prospect of reducing inflation to well below 5 per cent.

What is likely under a Labour Government? Their record is not good. Public spending would rise enormously, and probably go out of control if history is anything to go by, with serious consequences for the PSBR and the money supply. There would be further nationalisation and the active promotion of inefficiency in the nationalised industries. That is what happened under the last Labour Government and history has a horrible way of repeating itself. Loose money would be in pursuit of low interest rates. Taxes would be high and in the early years of a Labour Government substantial wage increases would be granted. All that would be incredibly bad for prices and inflation.

The evidence is there. The Labour Government's record is very bad and ours is very good. *[Laughter.]* Opposition Members laugh because no arguments are left at their disposal. Our record is good. We have succeeded in bringing down inflation to 5 per cent.

To think that a future Labour Government would be good for prices requires one to ignore all the evidence. The Opposition cannot sell that argument to the House. They have not succeeded in selling it to the electorate and while they have no policy on wages other than to dance to the tune of their puppetmasters, they are unlikely to do so.

With inflation, as with other aspects of economic policy, the proof of the pudding is in the eating. I am afraid that the right hon. Member for Sparkbrook tastes no better now than he did when he was Secretary of State.

6.15 pm

Mr. John Cartwright (Woolwich): I welcome the opportunity to take part in the debate, because it allows us to talk about the problems experienced by ordinary people in our constituencies. Few of my constituents lie awake at night worrying about the PSBR, GDP, the medium-term economic strategy or monetary aggregates. They and many people throughout the country are most worried about how to balance the family budget each week. That task has been made more difficult by Government policies on many of the issues to which the motion refers.

I shall pick just three of the issues from the broad and attractive menu set out in the motion. First, I shall deal with Health Service charges. Everyone who is realistic about the Health Service accepts that some charges are a regrettable necessity, but the scale and frequency of the increases made by this Government impose a considerable burden on many ordinary people.

The increase in charges introduced on 1 April this year was the seventh since 1979. The prescription charge stood at just 20p in 1979, and now it is £2. That is a tenfold increase in six years, which inevitably causes ordinary people problems.

Mr. Nicholls: Is not the hon. Member for Woolwich (Mr. Cartwright) forgetting that the biggest percentage

increase in prescription charges was in 1968, when the leader of his party was a Labour Minister? He did not feel the need to resign. Will the hon. Gentleman put the issue in context by reminding the House that prescription charges were introduced by Hugh Gaitskell, a Labour Minister?

Mr. Cartwright: I have said that any realist accepts the need for charges. The Labour Government cancelled charges in 1964 and promptly reintroduced them in 1967. That is what I mean by being realistic. The hon. Member for Teignbridge (Mr. Nicholls) is a fair man, so I am sure he will accept that massive, rapid and frequent increases in charges cause problems.

Perhaps the Government believe that because of exemptions in the Health Service charging system there is no serious impact on patients. That is not the view of the experts. The British Medical Association, hardly a revolutionary body, says that it regards the charges as

"a further erosion of the National Health Service and a further restriction of the service."

The BMA says that it is concerned that some people who should go and see their doctor might well be deterred because of the scale of Health Service charges.

A similar comment was made by the British Dental Association, which said that the charges might persuade people to have their teeth extracted and not conserved because extraction is cheaper than filling. It added that the charges

"set dental health back a generation."

The experts think that high charges have an impact on those who have to find the money.

Perhaps the most interesting comment was in the *Daily Telegraph* of 13 March, which said:

"Conservative Governments have seemed equally unsure whether they related prescription charges to the cost of living, the cost of drugs or the rate of inflation."

The *Daily Telegraph* decided:

"There is nothing scientific or principled about it."

That interesting judgment underlines the point that I am making about the impact on ordinary people.

Hon. Members have referred to charges for essential public services such as gas, water and electricity. Those of us who live in the Thames water authority area would agree that the TWA has not been a much-admired institution among consumers. However, the campaign which the authority and its chairman put up against the Government earlier this year with respect to water charges won it a great many friends among ordinary consumers.

The original Thames water authority board was reduced substantially in October 1983 and was replaced by a new board of 15 people appointed by the Government. One of the new board's objectives was to run

"the authority as a major well-run business."

To execute that objective the board produced a plan for the current financial year involving a reduction in borrowing of £18 million and capital investment of £121 million to make improvements in the system. Most importantly, it involved increases to the consumers of only 3 per cent. I believe that most consumers would have regarded that as a good piece of business and one that carried out the duties which the Government gave to the authority.

The Government had a different view. They demanded that the authority should make higher profits and larger debt repayments and, as a result, that the increase to the consumer should be 10 per cent. rather than the 3 per cent. proposed by the authority. The TWA predicts that, if the Government's longer-term plans come to fruition, the Treasury will be able to cream off £270 million from Thames consumers in 1985 prices. The authority says:

"Not surprisingly the Board of Thames argues that this includes a tax on water."

There has been a similar approach with respect to gas. The gas levy, which is a separate charge in addition to the taxation that is paid by the gas industry, produced more than £521 million in 1983-84. In the two years 1982-83 and 1983-84 the gas levy produced almost £1 billion for the Treasury. The public expenditure White Paper suggest that in the three years to 1987-88 British Gas is expected

"to remain self-financing after paying over £2,900 million in gas levy and taxation".

There are 16 million gas consumers, and the levy costs about 3p per therm on the overall charge of 40p per therm.

A similar situation is developing in the electricity industry. The London electricity board has told me that its prices are about 5 per cent. higher than they need to be to fulfil its statutory obligation to break even. Because of the Government's policies, London electricity consumers are paying about £3 more every quarter than they need pay.

Conservative Members have argued that these price increases are less than the increases under the Labour Government. They totally miss the point. Clearly, consumers do not like paying high prices, but I think that they are prepared to accept them if they know that they are forced on the utilities concerned because of external pressures. I think that consumers resent the idea that they are paying more than they need pay simply to provide a back-door source of funds for the Treasury. Managers of the industries concerned resent that as much as, if not more than, the customers.

The idea of using essential public services, such as gas, water and electricity, as a means of collecting a hidden tax is extremely unfair, because that taxation falls much more harshly on the less well-off. The results of that pricing policy can be seen in many cases — for example, heating. Many of us who represent inner city constituencies know only too well that many people can no longer afford an adequate level of heating in their homes. Many of the problems of condensation and dampness in local authority blocks of flats stem from the fact that people can afford to heat only one room and cannot afford to heat, say, the bedroom. No doubt the advice given by local authorities to those of my constituents who talk about the problems of condensation is sensible, but it is hardly practical. They are told to switch on the heating and open the windows. One might as well tell people to burn pound notes, because that is not practical advice. Imposing higher prices than are necessary so that the industries can be used as milch cows for the Treasury results in much hardship for ordinary people.

I agree with those Opposition Members who have argued that the major cause of the growth in the rates bills during the lifetime of this Government has been the Government's policy of reducing the proportion of local authority expenditure that is met by central Government from 61 percent. in 1979 to less than 49 per cent. during this financial year. I believe that this approach will continue and that a great many problems will be faced by a number of ratepayers because of some of the proposals in the Green Paper "Reform of Social Security". The

[Mr. Cartwright]

impact of rents and rates on the most needy households was understood by the independent review team, which said:

"100 per cent. help with housing costs for those on the lowest income is the only fair way of meeting their needs within the present vagaries of the housing market."

The Government accepted that point when it came to rents but they certainly did not do so with respect to rates. The Green Paper states:

"The Government's view is that, while domestic rates continue to be a significant element of local authority spending, every household should be required to make some contribution towards them."

The Green Paper suggests that every supplementary benefit claimant should meet about 20 per cent. of his rates bills. We have been given no sign that that additional burden on supplementary benefit claimants will be compensated by an equivalent increase in their income support scales. Even if that were done, the compensating help would be given only on a rough averaging basis. It would certainly leave many supplementary benefit recipients with higher than average rates and paying out more in rates than they receive in supplementary benefit. That must mean that they will face the risk of debts and hardship.

Hon. Members on both sides of the House have frequently commented on the fact that the burden of rates falls most harshly on single pensioner households. We all have examples in our constituencies of single pensioners —often widows—living in a home on their own and paying exactly the same rates as the better-off family next door which has more than one breadwinner. That unfairness will become harsher if the Government persist in extending it to those pensioners who now receive 100 per cent. rate rebates. We are talking about substantial numbers of pensioners. The Association of Metropolitan Authorities estimates that in London and the metropolitan areas alone 1 million pensioners in households qualify for 100 per cent. rate rebates.

The policy of imposing part of the rates burden on supplementary benefit recipients also has implications for families in which the parents are in low-paid jobs or are unemployed. There is a large number of such people. In inner London, one child in four comes from a family that is dependent upon supplementary benefit. In other metropolitan areas, such as Manchester and Liverpool, the figure is as high as three children in every 10.

The Government argue that there is a case for placing this element of responsibility for rates on individual consumers, irrespective of their income, in order to increase the accountability of local government. The independent review team rejected that argument, saying: "there is little evidence to suggest that low-income households have any real control over their housing costs."

Many hon. Members know from practical experience that few tenants distinguish between the rates element in what they pay in rent and all other charges that go to make up the total. The Government's approach will mean more hardship if people must meet that rate element irrespective of their income.

Another aspect of the Green Paper will involve additional hardship. This is the proposal to combine the rent and rate assessment for housing benefit in one taper. This is bound to hit owner-occupiers particularly hard when they have only their rates bills to pay. Their benefit will be withdrawn at a much steeper rate than has been the case in the past. This will be a problem for about 1·5 million owner-occupiers, most of them pensioners. They are the sort of thrifty people who have provided for themselves throughout their working lives. They will now find themselves hit hard by the new approach of the Government.

The London Housing Aid Centre's analysis suggests that the rate rebate proposals alone will mean cuts in benefit for perhaps 5 million recipients. Worse still, many people will totally lose their housing benefit. The review team suggested that there would be a 15 per cent. cut in the housing benefit caseload. That implies 1 million people being taken totally out of the housing benefit system. Other estimates have suggested that as many as 1·8 million claimants will lose housing benefit altogether.

That is an insensitive approach to the problem and it demonstrates again the Conservatives' lack of concern to share burdens in a reasonable way, as we have seen in many of their policies in the last six years. For that reason, all alliance Members will unite in voting for the Labour motion and against the Government on this issue.

6.32 pm

Sir John Page (Harrow, West): I have always been a believer in thought transference. It was therefore particularly pleasing when the Chief Secretary returned to the Chamber, having received through the means of extra-sensory perception the news that I was about to speak.

I congratulate my right hon. and learned Friend on his excellent tour de force, putting succinctly all the facts of real life, including the way in which people suffered under previous Labour rule — something that often gets forgotten. At my request my right hon. and learned Friend repeated one of his bon mots, and tomorrow I shall tear from *Hansard* the pages on which appear his speech and keep them, if not next to my heart, in my notebook, because they will provide useful ammunition.

Having given my right hon. and learned Friend that bouquet, he will be less attracted to me when I tell him that I am supposed to be leaving right now, accompanied by my hon. and recently knighted Friend the Member for Bury St. Edmunds (Sir E. Griffiths), to address several hundred people in my constituency. I hope that hon. Members will forgive me if I am not able to stay for long after my remarks, particularly as I shall ask a question and not be here to receive the answer.

We have learnt something this evening of the Liberal party's policy on prices and incomes, and we have had a glimpse from Labour Members of their party's attitude towards a prices and incomes policy, although they gave us only a view through a chink in the door.

My question to my right hon. and learned Friend is connected with charges by the nationalised industries. Can he explain why, when the Post Office controlled the telephones and wished to spend, say, £500 million on new capital investment, it might have been difficult for permission to be given for that money to be spent? Indeed, the Post Office might have been told to defer that investment. However, if British Telecom wants to invest, say, £500 million on identical equipment, there is nothing to stop it from doing that. Indeed, it is all virtue. I have always been mystified, as a small business man, by the way in which the Government do not seem to separate capital and revenue expenditure. I had hoped that a change in that attitude would occur.

I should at this stage declare an interest, being a director of a water company. I make that declaration because I wish to discuss water charges and possible reorganisation of the industry. I have always taken the view that the water industry and other nationalised industries should, from revenue, save and make a greater contribution towards the capital investments that they wish to make.

Government policy, recently announced, calling for the upping of the return on such investment is right, although the ground may not have been sufficiently prepared before the ideas involved in that policy were made known. I have not thought it right that with substantial, or even moderate, new capital investment, water authorities should be expected to borrow the money. That has been the tradition over the years. I speak on this issue for myself and not as a spokesman for the water companies or water authorities. Might not the simplest way of dealing with the issue be to introduce into the water authorities—not in one go, and not wholesale privatisation—arrangements to put them in a similar position to statutory companies, which the water companies now are? That would have a major advantage. They would, within the statutory limitations, be able to invest in the water industry and borrow money on the open market. By that means, they would not cause worry in respect of increasing the public sector borrowing requirement.

Mr. Maxton: Will the hon. Gentleman give the House an assurance that he would not wish to see his proposal extended to Scotland, where we do not have water authorities? The water authority is the local regional council, elected by the people, and by that means the water is under the democratic control of the local authority.

Sir John Page: I am grateful to the hon. Gentleman for that intervention. Having taken part in the Committee proceedings on the Water (Fluoridation) Bill, I now know more about the water industry in Scotland. My comments refer to the non-Scottish water companies, although if immense success resulted from a limited amount of private enterprise being injected into the water authorities, that might influence the people of Scotland to demand similar privileges and advantages for themselves.

I make that suggestion as a contribution to the debate because I believe that a degree of private enterprise in the water industry would be of great advantage. However, in view of the monopolistic position in the supply of water, the same competitive edge does not exist to enable a new type of water authority or company, reorganised, to be competitive in its prices and services to the people.

I congratulate my right hon. and learned Friend again and hope that the realities of modern life, about which the Government have been very successful in educating people, will continue to be reinforced and that further progress will be made in facing real problems in a real way.

6.40 pm

Mr. Austin Mitchell (Great Grimsby): I will not pursue what the hon. Member for Harrow, West (Sir J. Page) said, because I was hoping to give a few encouraging words to the Conservative wets whom I hoped would be speaking in order to put more pressure in their pipes and more holes in their spray. The wetness of the hon. Member for Harrow, West was professional only, so I will not follow up that argument. The Conservative Members who have spoken have been the dries, dredged in by the Whips and provided with Central Office briefing sheets on the rate of inflation from 1974 to 1979 as compared with the rate of inflation since then.

Mr. Maude: Will the hon. Gentleman inform the House how many hon. Members on the Labour Benches are not either Front Bench spokesmen or Whips?

Mr. Mitchell: I am not, and I think that there are two of us.

I welcome the motion because it does the important job of getting away from the world of abstractions, jargon and alphabet-soup letters with which we deal in this place—the PSBR, the M3, the MO, the PSL, all those bogeymen created by the City to frighten Governments and make them panic-stricken about abstractions — to the preoccupations of real people and what affects ordinary lives. That is the pressure of Government-enforced cost increases in the basic services provided by Government or local authorities—in other words, the kind of things that matter in Grimsby rather than those that matter in the City of London.

On those basic matters, the Government's record in using prices particularly the prices of fuel, as a form of taxation, pressing heavier prices on ordinary people, as distinct from the tax burden on their friends which they have been so concerned to lighten in their six years in power, has been one of increasing misery, demonstrable in every item listed in the motion. The prescription charge increased massively after their Government denied in their 1979 manifesto that they would carry them through.

They promptly increased the prescription charge, and it has increased again well ahead of the cost of inflation. This has placed a particular burden on those people at the margin who do not qualify for free prescriptions and who find them an oppressive burden. Rates are up 169 per cent. from 1978-79 to 1985-86, and 82 per cent. in real terms. This is a wholly unacceptable rate of increase. Nationalised industries' charges, in particular the basic fuel charges for gas and electricity, have gone up faster than the cost of living, because they have been used as a form of taxation. The test is whether they have gone up faster than the cost of living. On that test, the Government have been using them in that fashion. Council house rents, transport costs and water charges have increased substantially and are about to go up again, thanks to the change in policy.

Hanging over it all are increased interest rates, and particularly mortgage rates, which are up 4 per cent. since the election. On an average mortgage of £20,000, £40 per month extra is paid by householders, not to the Government but to the financial community—the banks, the building societies and the interests of finance—because of the Government's curious illogical position that, to defeat inflation, prices and interest rates must go up.

Those interest rates have become a cross on which not only British industry but British householders and the British population, including anyone buying anything on higher purchase, are being crucified. That applies particularly this year. That is a tax on every man, woman and child in the country for no purpose, strangling the economy and the household budget. All those increases are regressive tax increases. They are more painful to those who have less and who are therefore hit harder. They

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are easily carried by the better-off sections of the community that the Government represent, but they hit severely the people that Labour Members represent, the middleman and the ordinary person.

It is particularly insulting that the Government should be carrying through this shift in purchasing power and imposing such burdens on people, because they have given away in tax concessions, especially over capital taxation, to the better off section of society about £3,000 million every year, while imposing increased charges through this machinery on those least able to bear them. All this hurts the quality of life of the mass of people, making life meaner, harder, shabbier and more of a struggle. This is doubly sordid compared with the give-aways to one section of society, that small wealthy class which essentially the Tory party represents and which has benefited so lavishly from what the Government have done.

One critique of the Government's performance, and perhaps a superficial one, is that all this is a confidence trick. In other words, the Government set out to cut taxes and, finding that they could not do it in the easy, glib way that they said they would, they decided to do it by optical illusion, by shifting burdens, by shifting deck chairs around on the Titanic, by increasing the charges of nationalised industries, by increasing indirect taxes and by putting up taxation. However, it would be superficial to make an attack on those grounds.

At this stage, the increases in costs and interest rates represent something more significant. The Government have not achieved the real cut in taxes that they said they would achieve, and they have not effected a cut in interest rates. The Government said that their obsession with cutting public spending and increasing the charges of nationalised industries to hold down the public sector borrowing requirement was dedicated to bringing down interest rates. Real interest rates currently are, I think, the highest since the war. They are certainly at record levels and much higher than the interest rates of our major industrial competitors. Thus, the Government have not achieved the objective of their policy.

These increased costs and interest rates are a symptom of the total failure of the economic policies on which the Government were elected—a failure which, to be fair, the Opposition pointed out from the start. We said that the policies would never work, but perhaps the country has to experience the pain and agony before the lesson comes home. Perhaps we have to have this tragic experience, in which, because of the failure of the Government's policies, what are now blithely called blips are becoming a way of life. There is a blip in the figures every month. The Minister assures us that it is abnormal and that things will soon be back on course, but the trend in inflation, interest rates and unemployment is ever upward despite the hope that these are just blips.

The light at the end of the tunnel that Ministers have been glimpsing now for four years, as is rapidly becoming clear, is the light of an approaching train. There is no light at the end of the tunnel in which the awaited downturns in these atrocious figures become consistent upturns. The Government clearly have been and are pursuing a mirage which they will never grasp and which will never materialise. This failure will result in the end of the Government. They may have two or three years in which to hang on to power but, because their policies have failed, there must be three years of a downhill run in which there is now no possibility of turning round. The only way to get out of the trap and the mess is to change the policies, but the Government have made a virtue of never changing and not turning round. The only way out is to turn round, and if they will not turn round, it will be a downhill run for them and the country.

There is now no possibility of pulling rabbits out of a hat. Tragically, nobody can take the Prime Minister—who has imposed these policies on the country and her Cabinet—by the elbow and say, "Enough is enough, we have to change and turn round, as Mr. Macmillan did in 1962, if the Government are to be saved." A change is unlikely to save them, but even if it could, it is impossible because of the domination of this overwomanned Government by the prejudice of the Prime Minister.

There is no way out for the Government, although it is clear that all the holes into which they are stumbling—the holes of poll taxes rather than rates, of SERPS and of the abolition of the metropolitan counties — have all been dug by one person in the Government. They can get out of them by the elimination of that one person, but there is nobody man enough to move in that direction, so I shall not pursue the argument. That is the reality of the trap in which the Government are stuck.

The strategies on which the Government came in—monetarism and incentive — have failed. They could never work, because the Government were essentially imposing not a considered, worked-out philosophy that had a prospect of changing the country's fortunes, but a morality. Under the guise of that philosophy, the Government were imposing a morality, a discipline, a tightening and toughening of the restraints. They were proposing a massive deflation through the over-valued pound.

The Government talked about sound money. It is appropriate that the Prime Minister should talk about sound money because she has more of it than most people, so its soundness is more important to her than to other sections of the community. What they were talking about was an over-valued sterling that strangled British industry, reduced our share of world trade and financed a flood of imports to destroy jobs.

As soon as a Government become obsessed not with the real economy — jobs, growth, manufacturing, exports, expansion and survival in a competitive world — but with the abstractions of the PSBR, M3 or whatever it has changed to lately—I gather that it is MO and that the Government are controlling MO because it represents only banknotes and banknotes are being taken out of circulation or are falling to pieces, so MO has come down, which is the Government's one success in their money supply policy—and manage the economy so as to control those abstractions, they inflict ruin and damage on the real economy, jobs and unemployment. That is what they have done with the massive deflation and high interest rates to achieve those targets. That is the opposite of what was necessary, and that is what has produced these increased charges.

The only way to cut the burden of taxation, to ease the burden of welfare and to allow the economy to carry the burden of public spending is to expand the economy—making it grow, getting more jobs, and making our industry more competitive and able to survive in the world. That is the real economy of jobs and exporting.

By growing, I do not mean the faltering growth of the past couple of years, which is really a bounce back from the extent of the deflation inflicted on the economy in 1980-81, or being dragged along as we have been in the wake of the American recovery. I mean a recovery stimulated and primed in this country. The Government have done the opposite, and all else follows from that.

It is true that, when the Chancellor took over after the last general election, he saw a way out. That was to pretend that the pound was not important and he had no exchange rate target, and then to let the pound go down —in other words, to walk backwards towards growth while pretending to do something else. He did that behind the Prime Minister's back—he had to do so, because she is obsessed with the exchange rate against the dollar and wants it to be the same when she goes out as it was when she came in, although it will not happen.

At the same time, the Chancellor was running an accommodating money supply by subterfuge — by gobbling up commercial bills and by overfunding so as to keep down M3. He was doing both those things until January this year, when the market sussed him out. It realised what he was doing and the consequences of it in their financial terms. At that point, the Prime Minister intervened. She could not face parity with the dollar. She intervened, interest rates were jacked up massively and the pound subsequently went up.

The increase in the value of the pound has tightened the noose around the neck of the British economy once again. The noose, which was easing, has been tied on increasingly hard. The increased value of the pound will not only make life more difficult for us in the American market, where we are still quite competitive, but will make it excruciatingly, agonisingly more difficult for us in the European market, which the Government say is so important to us. In January, the pound was still over-valued in real terms against the deutschmark. Compared to the last quarter of 1976, it was over-valued by about 40 per cent. The fact that it has appreciated against the deutschmark, the yen, the franc and the lira since then will make it far more difficult for us to survive in a market in which we were already running a horrendous deficit in manufactured trade.

The Government are trapped because they cannot make the economy more competitive unless they get the pound down, but they cannot get the pound down, against the European currencies in particular, because they fear that that will increase the rate of inflation, which is already rising, and because the Prime Minister is obsessed with exchange rates. At the same time, they must get the economy more competitive because our unit labour costs are rising more rapidly than those of any of our competitors.

Effectively the Government are trapped, and with them the British economy. With that trap, the brave experiment ends. It means the end of the line for the experiment. It means a long dying whimper at the whim of the bankers for the Government and the country. Everything else that we are debating today follows from the trap in which they are now. It follows that nationalised industry charges must be increased, as they have been, and the increases will go on because the Government need to raise more taxation. They will not do that, because they are obsessed with tax cuts, so they will increase charges. It follows that the flogging off of nationalised assets that belong to all of us will have to go on at the kind of ludicrous prices with the ludicrous commissions that the Government have been giving away over the past few years, simply so that the Government can survive financially. That is not prudence, wisdom or competitiveness. There is no change if one flogs a public monopoly off to make it a private monopoly. There has been no increase in competition.

The cuts in welfare implicit in the Green Paper published two weeks ago will be massive, because the Government are trying to finance an increasing burden of expenditure to cope with increasing unemployment on a shrinking productive base, and that cannot be done. Unless we expand the production base, we cannot finance the increasing burden of unemployment. One could solve two problems by expanding the base and bringing down unemployment, but the Government will not do that because they are trapped.

The cuts that must still come this year will have to be heavy. Despite the Chancellor's apparent finality, the Government are now embarked on a programme of cuts that will cause agony for Tory Back Benchers and for the country. Believe it or not, the right hon. and learned Member for Dover (Mr. Rees) will be disposed of because he is too kind-hearted and nice to carry through the necessary cuts. The Whitelaw star chamber will have to be beefed up and given more muscle. It will have a jamboree.

Mr. Maxton: I go along most of the way with my hon. Friend, but I just cannot believe what he has said about the Chief Secretary to the Treasury.

Mr. Mitchell: No more will we hear those merry quips and japes in the Finance Bill Committee, no longer will we hear the friendly kindly remark from the sober-minded right hon. and learned Member for Dover because he is too kind to carry through the excruciating cuts that are now necessary.

I think Woodrow Wilson said that the essence of conservatism was to say nothing and to ask one's grandfather. The essence of the Government's policy is to say nothing, do nothing and axe one's grandmother. That is the scale of the cuts. The Government have been pursuing these policies for six years. It is all very well for Conservative Members to ask what the Labour party would do, and to go on about the horrendous inflation of 1974, but these policies have been applied for six years. When shall we see the rewards? When will we see what the Government said the policies would produce? When will we see the lower interest rates to which all the cuts in the PSBR have been dedicated? When will we see the lower unemployment, which was implicit in the promises made in 1979? When will we see inflation vanishing, in the way in which the Chancellor had been describing? If inflation were completely eliminated, what would bring growth? Growth does not merely spring like a phoenix from ashes. Inflation does not abate automatically; the abatement must be generated, pumps must be primed, and money must be spent. There is nothing in a zero inflation figure which will bring growth.

When will we see a lower inflation figure, and the revival of our economy and manufacturing industry? When will our share of world trade increase, and replace the long whimpering decrease which has occurred every year since the Government came to office? A share already too low has been whittled away by the destructive policies of the Government. We shall not see those aims, becasue

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the reverse is happening. Inflation is increasing, interest rates are at record levels, unemployment continues to rise and manufacturing continues to suffer. What can stop that? What can the policies deliver?

In economics, virtue, discipline and morality are not rewarded. It is not merely a question of chanting slogans about sound money and doing nothing, but of investing, encouraging, stimulating, spending and competing for expansion and growth, yet the Government are not doing that. They are only inflicting pain and discipline on us. Economics is not for a Sunday school. We live in a hard cold world, and the Government have harmed the real economy of the country.

It is no use talking about small businesses replacing the massive job losses in big business, unless the Government provide the climate and framework for expansion, the stimuli, and low interest rates for small businesses to flourish. The Government's policies can never work. They could not have worked, and we warned the Government of that from the start. These policies have been a long tragedy for the country.

The Government came to office desperate for power, and the Prime Minister was blinkered by her prejudices. The essence of the Government's strategy in 1979 was: "If only people would be more like the Prime Minister, all would be well." The Government were so blinkered that they did not see that they were defending, in terms of incentives, PSBR cuts, and lower inflation, policies which directly favoured the Prime Minister and her friends, and which placed the sacrifices, inevitable in the depression that the policies generated, on the section of society least able to bear it—the poor, the old, and the ordinary. They are all suffering under the charges which we are lamenting today. They have the rough end of the stick and must pay the increased bus fares, rents and gas, electricity, rates and prescription charges. Life for those people has become more of a struggle, meaner, shabbier and more bitter. That is the Government's final crime against our people.

The essence of the Government's achievement has been to make our country shabbier and meaner, and to set us on a course different from that of the rest of the world—from the wealthy European Community countries, expanding America, and growing Japan. Ours is a unique case of self-inflicted agony and decline, with the sacrifices of that decline placed on those that cannot bear them. The sacrifices are carried by the poor, those who carry the burden of interest rates and the mass of the people. That is what the Government have achieved in their six years.

Now we are witnessing one of those rare and massive changes in the mood of the country which occur in British politics when our people begin to realise what the Government's prejudices, follies, simple ignorance and sheer wrong-headedness are doing to our economy. The tide is turning, as it did between 1961 and 1964. Although the Government have two years, that change in mood makes them irrelevant, out of date and out of court. Those who bear the sacrifices, who see that society has not improved as they wish, and that the Thatcher follies have failed, will throw out the Government in two or three years' time. The Government will probably stay on until the bitter end, and the end will be bitter. That mood is building up and is irresistible.

Disraeli attacked Gladstone's Government as a range of exhausted volcanoes, but the present Government were never big enough, nor had enough fire in their bellies to be volcanoes. We are seeing a row of squeezed pimples and boils on the body politic of the Government Front Bench, whose evil pus has been squeezed by what they have done to our society. That is what the Government are. That is their level, and size. The British people realise what has been done and how horrendous the Government's mistake has been. There is no chance now that the Government will change, but the people will take their revenge because they have been betrayed and because the sacrifices made necessary by that betrayal have been placed on their backs.

7.7 pm

Mr. Francis Maude (Warwickshire, North): I am a comparatively new Member, having been here for just over two years. I had a slight advantage in knowing a little about the House before I came. I had always thought that a good day was an Opposition Supply day because that was when the Opposition carefully selected their subject and the Government had their back to the wall and were indicted. I thought that today of all days would be such a day because the Opposition, in their wisdom, had chosen to debate prices and to take on the Government on the Government's ground. I expected to hear high drama today.

I came into the Chamber at about 3.30 and heard the speech of the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley). I am a stranger to the usual channels that operate in the House, and I do not know, nor wish to know, anything about the way in which the Opposition choose their subject. It seemed that the speaker had been chosen, rather than the topic. The Leader of the Opposition had his day yesterday, and presumably today it was to be the Deputy Leader. I suppose that he was thought to know something about prices as he had been responsible for them for three years, and I thought that I might have a chance to inform myself and to end up knowing a little more about prices. I came and listened, but I am none the wiser.

Today we have had not high drama, but a remarkably serene debate, until the hon. Member for Great Grimsby (Mr. Mitchell) rose to his feet. We then heard a great deal of hot air. However, I suppose that when talking about energy prices hot air is appropriate.

Mr. Norman Hogg (Cumbernauld and Kilsyth): The hon. Gentleman has spent the opening minutes of his speech lecturing us on how this is not turning out to be a great day. He could do us a favour and make a great speech and make our day.

Mr. Maude: I am grateful to the hon. Gentleman for his encouragement. I shall do my humble best.

I had hoped that there would be a lifting of the veil by the Opposition. They have spent a great deal of time telling us that they will form the next Government. I thought that we were heading towards the time when we might be told a little more about what they are proposing. Are they a party of price controls? Do they favour a statutory price control policy? As part of that, do they favour a statutory wages policy? These are matters on which the right hon. Member for Sparkbrook has been delphic, to put it kindly. He did not lift the veil.

The motion mainly concerns price increases imposed by nationalised industries. That is something into which politicians have delved far too often. Governments inevitably have to delve into that matter, and I suppose that where Governments delve, Parliaments must follow. It is a difficult subject. Let no one pretend that any Government of any party have ever found it easy.

We maintain the fiction that there is an arm's-length relationship between the Government and nationalised industries, that the Government set the targets and that the nationalised industries simply continue to operate in a commercial way to meet the targets and to render to the consumer the services which they are statutorily bound to render. But how are the Government to determine, in so far as they have the power, the pricing policies of nationalised industries? I understand that there has been a certain amount of consensus on that point. My right hon. and learned Friend the Chief Secretary quoted at some length from the energy policy Green Paper produced by the right hon. Member for Chesterfield (Mr. Benn) in 1978, which said:

"It should be the aim of nationalised industries to secure something in the region of a 5 per cent. return on capital."

That 5 per cent. is calculated on the same basis as that on which the Government operate today — a current-cost basis. Not many nationalised industries manage that. I understand that the Government operate the same broad principle, that they set their targets in terms of a return on capital. It does not matter what the percentage is, it is the broad principle of setting a target for a term.

Nationalised industries are not, and never can be, subject to ordinary commercial pressures, especially when they operate, as most of them do, as monopolies. I do not know whether 5 per cent., or 1·5 per cent. for the water authorities, or 2·75 per cent. for electricity, or 4 per cent. for gas, are the right returns, because I am a politician, not a business man. If I had wanted to meddle with the running of a nationalised industry, I would have gone into that business rather than into politics. That is one of the ghastly problems with the whole range of nationalised industries. We take them into the public sector and they end up being meddled with by politicians.

Mr. Kevin Barron (Rother Valley): Will the hon. Gentleman comment on the Government's gas levy, which is being forced on the British Gas Corporation? Last year the Government raised the sum, directly from consumers of gas, of £522 million. That is a direct energy cost put on by politicians. How does that policy align itself with the hon. Gentleman's remarks?

Mr. Maude: The hon. Gentleman's point supports my case. When an industry is taken into the public sector it is subject to Government control, and politicians will meddle. Nationalised industries are a tempting source for politicians to meddle with. They are a little bag of goodies, and who can blame politicians if they dip their hands into it? I want politicians to get out of business and industry and leave them to operate in the private sector where they belong.

Mr. Robert B. Jones (Herefordshire, West): Will my hon. Friend reflect on the fact that there is not necessarily an equation between setting a target for a contribution to the Exchequer from an industry and the price level imposed by that industry? For example, the British Gas Corporation reached an agreement with its unions in 1973 that it would phase out the use of private sector contractors for the laying of small-scale pipelines, irrespective of whether that was efficient. That is still happening. There is no great drive for efficiency in the BGC along the lines that would keep down prices while making a contribution to the Exchequer.

Mr. Maude: My hon. Friend makes a valid point. When a utility or an industry remains in the public sector, it is not subject to proper competitive pressures. Even within a natural monopoly there are many ways to introduce competition. The first step towards that must be to remove the utilities from the public sector and return them to the private sector where they belong.

I have one point of agreement with the hon. Member for Great Grimsby, who I know is a compassionate and even fanatical follower of competition. He said that if we transferred a monopoly into the private sector we would often not be better off. I think that we would be a little better off, but not as better off as we could be. I am concerned about the Government's intention to transfer British Gas en bloc to the private sector. I would rather it was broken up so that some limited competition could be introduced into the system.

If we start—as I hope we will before too long—to talk about selling the water authorities to the private sector, I hope that we can obtain a competitive framework. One possibility would be to lease the capital utilities to someone prepared to bid for them, someone prepared to contract to operate the industry in an area for, say, five years at a given charge to the customer. The customer would know where he was and the operator would be subject to competitive pressure, because he would know that in five years other people would bid against him. That is one way to obtain a proper competitive pressure in the system in order to protect the rights of the consumer.

Mr. Robert B. Jones: Is my hon. Friend aware that that is precisely what happens in France, where nearly half the water supply is provided by private contractors operating the plants on behalf of local authorities of all political persuasions, including Communist?

Mr. Maude: Once again I am grateful for my hon. Friend's deep and wide knowledge of this subject. It is an eminently practical solution to a problem which needs addressing in the near future.

I want to discuss the way in which electricity prices have operated. There is always a temptation for politicians to meddle with the pricing processes of nationalised industries. That has not always been beneficent, but almost always the opposite. Mention has been made of the way in which the last Government manipulated gas prices, perhaps to try to buy support by artificially holding down the price of gas to the domestic consumer and artificially increasing it to the industrial consumer. There was the inevitable consequence of the loss of jobs in those industries affected by artificially high energy costs.

The Opposition were unwise enough to include electricity prices in their indictment of the Government. I make no apology for reiteraing a point that has been made. It is a commonplace, but that does not stop its being true. Under the last Labour Government electricity prices rose by 2 per cent. every six weeks. Under this Government they have risen by 2 per cent. over the last three years. That is a good record for the Government.

[Mr. Maude]

There is one way in which electricity prices could be reduced. Of the fuel used to generate electricity, 75 per cent. comes from the National Coal Board.

Mr. Barron: It is 80 per cent.

Mr. Maude: The hon. Gentleman says that it is 80 per cent. I bow to his superior knowledge. As a proportion I expect it to diminish slightly, although the CEGB will continue to buy the same bulk volume from the National Coal Board. The CEGB could buy that coal more cheaply elsewhere. There is nothing magic about British coal that makes it perfectly suited to generating electricity in Britain. Much of the coal used by the CEGB could be bought more cheaply elsewhere. It is not even as though the NCB is making a profit by selling the coal at a high price. Electricity prices could be reduced if there were a reduction in the price of coal.

I represent a coal mining constituency and 4,000 coal miners. I also represent some 50,000 consumers of electricity. There is a strong connection between the two. It is often the same people in the Opposition who in one breath complain about high electricity charges and the damage that they are doing—in high-flown phrases the hon. Member for Great Grimsby referred to the Conservative party putting the boot in on pensioners and those least able to pay — yet in other circumstances complain about pit closures and moving from high-cost pits in the coal industry to low-cost capacity. They should be able to see that the two are directly related. It is only by getting out of the old high-cost coal mines and into low-cost mines that we can begin to get the cost of coal down, and hence reduce the cost of electricity.

The motion that we are debating in this serene fashion covers a wide range. I have touched on only one or two aspects. When the Opposition have a chance for calm reflection, I think that they will come to the conclusion that they have chosen badly today. They have tried to take on the Government on the Government's favourite ground. A cursory examination will show that when the Labour party was in government it had a bad record on prices. The record of this Government is not perfect; no one can pretend that. Inflation at 7 per cent. is far too high, but it is worth repeating that it is a lot lower than the figure for the lowest month under the last Labour Government. This may be the last debate on this subject in Opposition time. It would serve the Opposition well to call it a day on this one.

7.24 pm

Mr. Kevin Barron (Rother Valley): I am tempted to ask the hon. Member for Warwickshire, North (Mr. Maude), as I am also a relatively new Member, about a colliery in his constituency. At the time when he and I dealt in Committee with the Coal Industry Act 1983, that colliery, according to the report of the Monopolies and Mergers Commission, was making a loss. Has the hon. Gentleman checked whether it is now making a profit?

Mr. Maude: The two large capacity coal mines in my constituency are making good profits. Two are making small losses. Everyone in the coal industry in Warwickshire knows that in not many years' time the two loss-making collieries will close. There is no secret about that. In one pit village there have been rumours for 60 years that the pit would close the following year. It probably will close within the next few years. There is nothing dreadful about that. The people there do not regard it as the end of the world.

Mr. Barron: I am glad that the hon. Gentleman has said that. I should be pleased to have his support for keeping uneconomic collieries open because of the consequences to the communities and the need for employment opportunities in that area.

What the hon. Gentleman said does not ring true if we consider the rising cost of energy. About 80 per cent. of electricity generation is done by coal bought in this country. Yet in 1983-84 the CEGB still made a profit of £623 million. In those circumstances, it should remain a public corporation. It should keep in balance and not be a burden on the public sector, but that does not mean that it should make profits of £623 million.

In the same year the British Gas Corporation made a profit of £668 million. Most of that profit comes directly from consumers, although the British Gas Corporation can make some revenue by providing services in the private sector. Last year there was a gas levy of £522 million.

The profits of the energy undertakings must be set against the 92,000 cut-offs of electricity in domestic households that took place from December 1983 to December 1984. In over 4 per cent. of those cases the householders were pensioners. We are talking about 4,000 pensioners' homes which may have the energy supply cut off because the householders cannot afford to pay the bills.

In many cases the standing charges are a burden. It is an absolute scandal that both the gas and electricity undertakings can make such huge profits while making high standing charges. Until five years ago many householders did not have to live on state benefits and were not classified as being on the poverty line. One of the major growth areas in the last five years has been the number of households that have to rely on state benefits.

The Labour party has been saying consistently that when the energy undertakings are making such high profits, standing charges are too high. Pensioners and people on low incomes should not be under threat. I am sure that at some time every hon. Member has been approached by someone who was under threat of having the gas or electricity supply to his house disconnected. I have many times, and I have not been a Member of Parliament long. Only this week I tried to help a constituent, who is now unemployed and was about to have his supply disconnected. The Government must stop interfering by forcing levies on consumers. They should recognise that they are merely creating more upset in homes that can do without the pressures of present energy charges.

Mr. Maude: Bearing in mind his objection to their profits, where does the hon. Gentleman suggest that new investment in the gas and electricity industries should come from?

Mr. Barron: I am talking about profits over and above what is being invested. I could go on at length about the British Gas Corporation, but I shall save it until about November when we shall debate the matter in great detail. We should consider how the British Gas Corporation has been attacked in the past five years and has been stopped by the Government from going into areas where it could have earned more revenue to invest.

Rising energy costs have been made worse by many of the Government's actions, not least the 1984 Budget which put VAT on building alterations and central heating equipment. That was disgraceful. There have been indirect increases in the prices of petroleum products. In May 1979, 44·8 per cent., or 39·9p, of the price of a gallon of petrol was tax. In January this year, 54·3 per cent., 102·6p, of the price of a gallon of petrol was tax. That was an increase of more than 9 per cent. The price of derv affects public transport and the moving of food, and hence food prices. The tax on a gallon of derv has increased 3 per cent. since 1979. That is another example of the Government increasing prices when they should have been lowered.

Worse, there have been increased charges in the National Health Service. Prescription charges have gone up to £2 as from 1 April. On 25 April 1979, the Prime Minister said that the Government had no intention of increasing prescription charges. They have increased by about 1,000 per cent. since she said that. It is easy to say that 75 per cent. of prescriptions are exempt from charges, but many people have difficulty getting exemption certificates. I recently came across a person who is £1·21 short of getting exemption. He was told that if he collected the five prescriptions that he gets each month in one week, there would be no problem and he could claim the money back. He has had those pescriptions for years, but getting £10 together in one week is extremely difficult for somebody who has lived on state benefit since coming out of the armed forces.

Dental charges also increased earlier this year, and they particularly affect people on low incomes. The matter did not get much debate in the House, although it deserved more than the increase in prescription charges because 90 per cent. of people who need treatment after a free inspection pay the full basic amount, which has increased to £17. The costs of crowns, inlays and bridges — an expanding area of dental treatments — have also increased between 6 and 10 per cent. That is substantially higher than the rate of inflation, although inflation is now higher than when the increase was announced.

Since 1979, there has been a massive increase in council house rents. Nobody can deny that the increase was started by the Secretary of State for the Environment. Whitehall has directly forced rents up. I never thought that I would experience that.

The hon. Member for Warwickshire, North mentioned water rates. About five months ago, I received a memo from the Yorkshire water authority complaining about its being forced to increase water rates by 12 per cent. per annum for three years. That instruction came direct from Whitehall. People find it difficult to get rebates of water rates. It is disgraceful that Ministers should force up water rates when people are getting nothing like the same increase in income or state benefits.

A worse example of shoving public sector prices up is the Government's ideological attack on local government and the rate support grant. They have forced local authorities to decide, for example, whether home help provision should remain, whether elderly people who live on their own must be left completely alone or whether home helps will have to charge. Local education authorities have been forced to increase the price of school meals or to do away with them altogether.

My local authority, the Rotherham metropolitan borough council, has lost more than £24,000 in the last five years through the attack on the rate support grant. That money has had to be found by ratepayers and by cutting back services and losing some council jobs. It does not help to see local authorities having to put up prices and make charges for services such as meals on wheels, which, by good housekeeping, they were formerly able to provide to people in need.

In 1979 the Government laid great stress on the right of people in this country to be home-owners and the right of council house tenants to buy their own homes. I notice that they have not done so much shouting about private tenants having the right to buy their homes as well. However, they shouted again in 1983 about how they felt that the people of great Britain had the right to own their own homes.

Mr. Maxton: My hon. Friend will remember that not only are they not shouting about private tenants having the right to buy — which, if they were true to their principles, they would give them—but, because of cuts in improvement grants, they have actually been forcing people out of private ownership and private rented tenancies into the public sector and therefore putting a greater burden on public sector housing.

Mr. Barron: That is quite true.

I want to recall what has happened since the 1983 election and the increase in the mortgage interest rate. The mortgage interest rate in this country at the present time is 6 per cent. higher than in the countries that we normally term our main competitors, such as America and West Germany. The Government, who claim to be the friends of people who want to own their own homes, have failed miserably to keep down interest rates and to protect the interests of the many people whom they encouraged to take on mortgages.

An average mortgage of £20,000 means a payment for every 1 per cent. increase in the mortgage interest rate of an extra £10 a month. So a person with an average mortgage since the last general election, when I came into the House, is paying an extra £40 a month.

That will go on record as one of the major ways in which the Government failed to honour their commitments as far as home ownership is concerned. I have not checked the figures recently, but I have done so over the past two years, and they reveal that the number of people who are having to surrender their mortgages and lose the houses that at one time were sold by public bodies, such as the National Coal Board or local authorities, is constantly growing.

If the Government fail to take action to stop the rapid rise in mortgage interest rates, they will get everything that they deserve at the next general election, because people who voted for them and their ideological slogans about home ownership will find that they have been led up the garden path and put into the hands of the moneylenders —the friends of Conservative Members.

7.43 pm

Mr. Patrick Nicholls (Teignbridge): If the debate has not shed very much light on the subject, we have at least learned one thing—that it is going to be the Labour party's policy when they fight the next election to choose those areas in which it has been most signally unsuccessful and then have the nerve to attack the Government for the successes that have achieved in those fields. We can

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sympathise with the Labour party in this, because if they had to debate a motion like this tonight on their own successes in office they would never get the thing off the ground.

The hon. Member for Rother Valley (Mr. Barron), in a spirited speech, went through a number of points, trying to suggest that it was the Labour party which had something to offer the electorate. To hear a member of the Labour party proclaiming himself the champion of the home owner and those who are struggling to pay their mortgages is quite incredible. One only has to think of the proposals made recently by the hon. Member for Oldham, West (Mr. Meacher), which were going to take away income tax relief for those who have mortgages — although when the implications of that were realised by his colleagues, they quickly shut him up. But that showed as nothing else could what the real attitude of the Labour party is to income tax relief for house owners. We saw an element of it also in 1983, when one of the last acts of the Labour Opposition before the last election was to ensure that the Government's Budget proposals for increasing the amount of income tax relief for those with mortgages were blocked.

The hon. Gentleman talked about council houses and tried to suggest that there was something dishonourable, or not very praiseworthy, in the Conservative party's attitude to them. It must be borne in mind, however, that our legislation which enabled council tenants to buy their own homes has led to a massive increase in house ownership. I refer the hon. Member to a document which is still an excellent read—and indeed an excellent buy at 60p—entitled "The New Hope for Britain", to see what threats the Labour party had in store for those who purchased their council houses. If the hon. Gentleman wants to remind himself about that he need only look at page 23, the last paragraph in the left-hand column.

Mr. Barron: The hon. Member has not said that householders were a lot better off under the last Labour Government than they are now. I understand from the press that my hon. Friend the Member for Oldham, West (Mr. Meacher) was talking about mortgage tax relief for people on salaries of £20,000 a year-plus. If that is true —I do not know if it is—would that not be correcting the massive imbalance in personal taxation since 1979, when this Government have been giving massive tax cuts to people with salaries of £20,000 a year-plus?

Mr. Nicholls: If the hon. Gentleman wants to know what his hon. Friend had in mind, he had better ask him. It was clear to anyone who read his proposals that they represented a threat to the principle that a person is entitled to income tax relief if he is purchasing his own home.

The hon. Member for Rother Valley chided the Government and cited the American experience. I wonder if he would want this Government to approach unemployment in the way in which it is approached in America — where, after six months, the rate of unemployment benefit, or the American equivalent, is reduced to such a level that if a person does not then take the work offered, he suffers real hardship, in a way that would not be countenanced in this country. That is one part of the American experience, but it is typical of the hon. Gentleman to choose one aspect of the American experience and ignore the things that go with it. If the hon. Gentleman were standing up in the United States Congress tonight he would find his political views so far to the left of what he would be hearing there that he would not get a very good reception.

The hon. Gentleman picked up the question of prescription charges. It really is remarkable to hear the Labour party now talking about the evils of prescription charges. They were first introduced—as I am sure the hon. Gentleman knows — by Hugh Gaitskell. The biggest increase ever was in 1969 under a Labour Government. The hon. Gentleman tried to brush aside the fact that 75 per cent. of the prescriptions are filled free. All those members of society that we would all agree should not have to pay prescription charges are exempted. From what the hon. Gentleman has said, one would expect him to approve of the way prescription charges are now applied, because those who cannot afford it do not pay them and those who can afford it do. We see that approach everywhere we look—both in the motion and in what has been said in the debate.

The Labour party now claims to be the champion of the old-age pensioner, but it has forgotten that it was the party which was so stuck for cash that it had to abolish the Christmas bonus. It has forgotten that it was the party which changed from the historic method of assessing pensions to the forecasting method. That was not designed to help the pensioner, because in due course Mrs. Barbara Castle pointed out in her memoirs that it was done purely and simply to save money. In fact, she described it as "dishonourable".

The last Labour Government introduced legislation to link the rise in old-age pensions to earnings rather than prices, but in three years out of five they had to get out of that legislation. When a former Labour Secretary of State for Social Services was chided for not taking the earnings link into account, he said, "Oh no. We had to take it into account, but there was no obligation on us to get it right." Wherever one looks, it is clear that it is in precisely those areas where the Labour party's record is worst that it has sought to attack us.

At times it is extremely difficult to work out precisely what the Labour party is saying about prices in the public services. Is it saying that those prices should never go up? If one is seeking inspiration, or even some light relief, one can turn to the Labour party's manifesto at the last election, which said that, were it elected, it would freeze all council house rents for a year. Why a year? Why not nine months or 15 months? What would have happened in the meanwhile to the expenses that would have been borne by the taxpayer? What about the increased costs for repairs, maintenance and servicing of the debt? Where is the logic in saying, "We will freeze rents for a year."? What does that tell us about a sensible and responsible attitude to maintaining costs in public industry?

Mr. Peter Pike (Burnley): Does not the hon. Gentleman realise that we said that we would freeze rents for a year to give us sufficient time to work out the future of housing finance policy? Had we been elected, we could not have sorted that out in a matter of weeks. It would have taken a year. That was a sensible and fair proposal.

Mr. Nicholls: I am prepared to accept that the hon. Gentleman thinks that that was the position, but the more accurate version of events was that that would be a good vote winner among the people to whom Labour was

supposed to appeal. The singling out of that one tiny point in overall housing policy and the offering of such an obvious and manifest bribe cannot bear any other interpretation.

The only way in which to assess rising prices is to look at the rate of inflation. This debate has revolved around one central point that I put to the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley), which he did not address. Whatever one says about the current temporary increase in the rate of inflation, the fact remains that under the last Labour Government there was no month in which the rate of inflation was as low. We believe that it has now peaked, but given that that has been achieved without dividend, price or wage controls, one begins to have a framework in which one can assess what the Labour party has on offer and what we have on offer.

The depressing thing is that there is nothing new in what the Labour party has said. Even worse, there is not the slightest sign that it has learned anything from its own history. That point has already been made several times and it will have to be made again, because the Labour party still does not realise it.

We are being criticised for a rise in electricity prices of about 6 per cent. over three years, which contrasts with a rise under Labour of about 2 per cent. every six weeks. The Labour party may say, "Look what we achieved on gas prices." During the period of the last Labour Government there was a price reduction of about 19 per cent. for domestic gas users, but there was an increase of about 112 per cent. for commercial gas users. It ought to be self-evident that in the end one does not do the domestic consumer any good by selling him gas at a loss and by penalising industry which will inevitably pass that price increase back to the consumer.

Even if one does not accept that argument, but believes in penalising the business user while letting the domestic user off lightly, it is clear that at the time the Labour party did not believe in it. Its Green Paper on energy policy, published when the right hon. Member for Chesterfield (Mr. Benn) was Secretary of State, clearly stated:

"policies will be working under a severe handicap if price signals are not pointing in the same direction."

Whatever one thinks of the principal argument, what can one say of a Labour party that adopted a policy in which it did not believe?

To hear the Labour party talk about price rises in the nationalised industries, one would think that while it was in office such prices did not go up aggressively. But they did—telephone calls by 200 per cent., electricity prices by 163 per cent., rail fares by 153 per cent., domestic coal by 149 per cent., finished steel by 136 per cent., second-class postage by 133 per cent. and gas by 69 per cent. That is the reality of what the Labour party achieved when in office.

Having listened to the entire speech of the right hon. Member for Sparkbrook, one still does not know what the Labour party now has on offer. One can gain an indication from the last Labour party manifesto, and when pressed in an intervention, the right hon. Gentleman to some extent gave the game away. Labour's manifesto—the longest suicide note in history—stated:

"Give powers to a new Price Commission to investigate companies, monitor price increases and order price freezes and reductions . . . Take full account of these measures in the national economic assessment, to be agreed each year with the trade unions."

The national economic assessment is presumably the unworthy successor to the social contract, which was neither sociable nor contractual. It is also the worthy successor to the concordat, and it is not surprising that the Labour party has not referred to that. The dictionary definition of concordat is a composition made by a bankrupt with his creditors. That just about says everything there is to say about the way in which the last Labour Government conducted their arrangements.

That is the profoundly depressing thing about the Labour party. To be fair to the alliance, it is at least prepared to admit the errors of its ways, although it is not prepared to do anything about them. The hon. Member for Woolwich (Mr. Cartwright) said that in an imperfect world prescription charges would have to be levied, yet he criticised our prescription charges even though they are lower than those which were levied when many of his hon. Friends held office in the last Labour Government. In a remote way there may be some hope for the alliance, but there is no hope at all for the Labour party, which has clearly shown that it is incapable of learning anything at all from its history.

All it has offered are the same policies and remedies that have failed in the past, and there is not the slightest reason to think that they will ever succeed in the future. Labour Members need not take my word for that, because I am mindful of a good speech made at a party conference some years ago, when it was said:

"We used to think that you could just spend your way out of recession and increase employment by cutting taxes and boosting government borrowing. I tell you in all candour that that option no longer exists; and that in so far as it ever did exist; it worked by injecting inflation into the economy. And each time that has happened, the average level of unemployment has risen. Higher inflation followed by higher unemployment. That is the history of the last 20 years."

That speech was made by the last Labour Prime Minister, the right hon. Member for Cardiff, South and Penarth (Mr. Callaghan).

Mr. Barron: If the hon. Gentleman has only scorn to pour on the Labour manifesto and the Labour party conference, why has he spent the past 15 minutes using them to avoid having to defend the massive increases in public sector pricing since the Tory Government came to power?

Mr. Nicholls: I have referred to the Labour manifesto because, since then, Labour Members with memories long enough to remember when Labour was in office and who still crave office have done their best to ensure that the public forget what was in their manifesto. In those circumstances, it is legitimate and honest to point out that, in so far as it has been possible to prise out of Labour Front Bench spokesmen what a future Labour Government would have in store, it is clear that they have learnt nothing whatever in the meantime. I make no apologies for quoting the words of the last Labour Prime Minister, because the sad fact is that the Labour party has moved on from the days when its senior statesmen recognised common sense when they saw it. The right hon. Member for Cardiff, South and Penarth was an example of that, but he is not here today.

Because the Labour party has nothing new to offer, a Labour Government would mean more of the same. Not only the rich but the middle classes in the broadest sense of the term would be squeezed, as they always have been. The same old policies would mean the same old inflation

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and the disabled, the poor, the sick and others on fixed incomes would suffer most as a result. The right hon. Member for Sparkbrook talks about squeezing the rich. That is all very well for him, for Labour party grandees and minor light essayists who are earning so much that they can afford to be squeezed and make a virtue of it and still have enough left over. The pity is that if we ignore people in that position and consider those in the real world, there is every reason to believe — and no reason to believe otherwise — that if a Labour Government come to power at the next election they will simply do what they have always done, and that is far too high a price to pay.

8.2 pm

Mr. John Maxton (Glasgow, Cathcart): I pay tribute to the Labour Government for many of the policies that they carried out, although I do not deny that I went on marches against public expenditure cuts when Labour was in power. Even if we had the same old policies, my constituents would offer up a great prayer of thanks that at least we had a Government who cared, with much lower unemployment rates and a far higher standard of public services than we have now. But we shall not have the same old policies. We shall have new policies.

The hon. Member for Teignbridge (Mr. Nicholls) said that one of his interests or recreations is historical research.

Mr. Barron: Hysterical?

Mr. Maxton: No, historical. If the hon. Gentleman was a genuine student of history, he would know that the term "concordat" had a much wider meaning than that which he tried to give it. For instance, the use of the word in the history of the Roman Catholic Church is quite different from that suggested by the hon. Gentleman. I shall not, however, go any further down that historical road.

It is true that many people do not pay the current exorbitant prescription charges, but the existence of these charges merely adds to the poverty trap. A man who gets a 10p pay rise may suddenly find that he has to pay the £2 charge for prescriptions for himself, his wife and his teenage children, so his 10p pay increase may cost him a great deal of money.

Mr. Nicholls: Does that mean that the hon. Gentleman will support the social security Green Paper, which proposes that benefits should be based on net income rather than on gross income so that the poverty trap which the hon. Gentleman rightly describes will disappear?

Mr. Maxton: On prescription charges, my answer is to get rid of them altogether and go back to a Health Service that is free at the point of use to all within it. That is the best way to organise the Health Service.

The hon. Member for Teignbridge berated the Labour party for defending the old-age pensioners. If the Government had not excluded the earnings-related element from the pension increase calculations, pensioners would have £4 per week more than they now have. That action was taken by the Conservatives, not by the Labour Government.

Mr. Nicholls: The Labour Government did not pay it.

Mr. Barron: My hon. Friend should not take the hon. Member for Teignbridge (Mr. Nicholls) too seriously. The hon. Gentleman suggested in his small contribution to the debate that 20p per prescription before the 1979 election was somehow a greater charge than £2 per item in 1985.

Mr. Maxton: That is why I suggested that the hon. Gentleman's interest was in history rather than in mathematics.

Talking of inflation, one or two things should be made clear. In this context, insufficient attention has been paid to unemployment. Conservative Members may ask what that has to do with inflation. The percentage rate is not the only measure of inflation. Inflation is about what people can buy with the money that they receive each week and whether they will be able to buy as much next week and in subsequent weeks. For the individual, the largest inflationary factor may be unemployment. If a person earns £190 per week, which I understand is the average household income, and pays £10 per week for electric light and heat, his electricity bill represents about 6 per cent. of his income. If he suddenly finds himself on £45 unemployment benefit or supplementary level he will still have to pay the electricity bill, but it will represent about 25 per cent. of his income. Indeed, the electricity bill is likely to be bigger because an unemployed person spends a great deal more time at home than a person who goes out to work. Unemployment thus creates inflation for the individual, and even Conservative Members cannot deny that the creation of unemployment has been part of the Government's economic policy.

I am sorry that my hon. Friend the Member for Great Grimsby (Mr. Mitchell) is no longer present, as I have to disagree slightly with some of his comments. He referred to the failure of the Government's economic policy, and I think that he was probably right, but there are times when I am not so sure. The economy is not an end, but a means by which to obtain social and political ends. I am not convinced that the Government are not achieving their social and political aims, which are twofold.

First, they want to create an ever better and more secure standard of living for the small wealthy class that gives them so much support. The Government have been extremely loyal to their most loyal supporters and have given them more or less what they want. They have given them higher incomes. I gather that the Government will be embarrassed when they release the details of the salaries of those in the upper echelons of the nationalised industries. It is probable that the report will reveal salary increases that are way above the general rate of the increase in earnings and the rate of inflation. I gather that the Government are delaying the publication of the report. It will be rather interesting to see what happens when it is published. However, the Government have satisfied the needs of their most loyal supporters. Secondly, the Government want employers to play their part in establishing a low-pay economy for the rest of the people. They want trade unions to be suppressed. They think that unemployment is a tool by which they can put down the unions.

I am not convinced by the argument that we must be wary in thinking that the Government have failed to achieve their economic and political objectives, but there is something in it. I am not sure whether the Government will achieve exactly what they set out to do. Of course, in a democracy the people will get rid of them at the next general election.

The hon. Member for Teignbridge suggested that our consideration of inflation should be confined to the rate at which it is running. That is inaccurate. Our consideration of inflation should be much more sophisticated. First, the poorer someone is, the harder he will be hit by inflation. The prevailing rate of inflation will, in effect, be higher for those who are poor than for those who are rich. One of the anomalies of our society is that the poorer someone is the more likely he is to pay for the goods that he acquires. I have in mind those who are unemployed who live in large council house schemes and who do not have the ability to own a freezer or a motor car. Those who are in that position have to use the corner shop, where, on average, prices are much higher than in supermarkets. Such people cannot buy in bulk, so they have to shop daily. That means that they pay a higher price for everything that they purchase.

Mr. Lewis Stevens (Nuneaton): Is the hon. Gentleman aware that many supermarkets run buses so that people can be taken specifically to their supermarkets? This means that those who live out of town can shop at a supermarket.

Mr. Maxton: I accept that there are some stores which operate buses, but they are few and far between. I know that most of those who live in a large housing scheme in my constituency do not use a supermarket bus. The bulk of them have to shop daily, and consequently have to pay higher prices for the goods that they purchase.

Mr. Pike: Does my hon. Friend accept that when the Transport Bill is enacted many people who do not live on main and popular bus routes—I accept that those who live on or near such routes may benefit from the Bill—will be forced into the position that my hon. Friend is outlining? In other words, they will be forced to use more expensive shops as a result of Government legislation.

Mr. Maxton: My hon. Friend makes a good point. The poor often have to pay higher prices for the goods that they buy. Secondly, a much larger percentage of their income is used to buy items which, to use an economic term, are inelastic. They spend a higher percentage of their income on the services provided by public utilities than do others within our society.

Mr. Nichols: I hope that I shall not embarrass the hon. Gentleman too much by saying that I agree with everything that he has said about the effect of inflation on the poor and the vulnerable. Everything that he has said about that is absolutely right. However, he is presumably content that under the previous Labour Government inflation peaked at 25 per cent. Even now, when inflation is at a peak of 7 per cent., it is better than the rate achieved by the previous Labour Government at any time during their period in office. Given his compassion and concern, that is the problem to which he should be addressing himself.

Mr. Maxton: The hon. Gentleman tends to forget that there was an inflation rate of 19 or 20 per cent. following the election of a Conservative Government in 1979. However, I do not necessarily blame all inflation on the Government who are in office. The two large increases in oil prices in 1974 and 1979 have been major causes of inflation over the past 15 years. That applies to Britain and to the world generally.

I contend that housing costs for the poor are higher than for those who are wealthy. That can be said of electricity and gas charges, and of the charges that are made for other forms of heating. The poor pay more for the use of public transport as a percentage of their income than do others. They cannot spend large sums in areas where, in part, the rate of inflation has been kept down. I am thinking of consumer durables such as television sets, video recorders, home computers and cameras. The same can be said of holidays abroad. The level of inflation in those areas is considerably lower than it is in basic foodstuffs. It is lower, too, than the self-imposed inflation that the Government have introduced to the public service sector. The Government have imposed inflation upon us, and especially upon those who can least support it. It is that element of their policy to which I object most strongly.

It seems that I shall be the only Member representing a Scottish constituency to participate in the debate. The effect of inflation on energy costs—for example, gas and electricity charges—is greater in Scotland than in England, although I accept that the average energy cost per therm for gas and electricity tends to be lower in Scotland than in the rest of the United Kingdom. However, regard must be had to climatic conditions in Scotland. The same can be said of northern England. Climatic conditions become more unfavourable the further north one goes. This means that the energy burn over the year of someone living in Scotland is considerably greater than that of someone living in the south. For example, a person who lives in Glasgow spends 20 per cent. more on energy throughout the year than someone living in Bristol, and someone living in Aberdeen will spend 30 per cent. more.

There are other differences. Basic foodstuffs in Scotland, especially in the west of Scotland, are higher in price than those in the rest of the United Kingdom. The price of such items in Scotland is even higher than in the south-east. When addressing ourselves to inflation we must give more consideration to these factors.

The Government are implementing policies that are designed to increase the level of inflation. They are doing so deliberately and they disregard the problems that the people have to face. I have dealt with the problems of higher electricity, gas and transport charges as well as the problem of higher rents and rates.

There are those who argue that many of the basic items in a household budget are paid for by the Government when unemployment strikes. The Fowler review, if its findings and recommendations are implemented, will make it harder for the poor to ensure that the basics in life are paid for by the Government. That will apply especially to housing benefit.

One of the promises on which the Government came to power was that they would increase the difference in income between a man who worked and a man who was unemployed. I remember that promise being made at the 1979 general election. It is curious that the Government's policies are reducing the gap. Whenever there is an increase in bus fares, the man who has to buy a bus ticket to travel to work finds that the differential between himself and someone who is unemployed is decreasing, and not increasing. The unemployed person does not have to pay that bus fare. Thus, the Government are again reneging on that promise.

I am sorry that my hon. Friend the Member for Leeds, Central (Mr. Fatchett) is not in the Chamber, because he pointed out that the average rise in local authority costs was 2 per cent., whereas the average rise in domestic rates was 9 per cent. Of course, he was talking as a Member of

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Parliament for an English constituency. This year, the average domestic rate rise in Scotland is 16 per cent. That is the average. There are people who will pay 2·9 times more than before. I accept that the Government have agreed to a rebate on the proportion that is over three times the amount paid last time, but people will still have to pay enormous increases in their domestic rates.

As in England, there is a teachers' pay dispute in Scotland. Teachers rightly feel that their salary increases have not kept pace with inflation. Indeed, I know of a senior teacher who is not far off retirement. He lives in a decent house in a decent area of Glasgow, but the salary increase of 3·5 per cent. which the Government are prepared to pay would not even cover the rise in his rates bill this year, let alone any other price increases. Most Conservative Members will not suffer greatly from price rises. The percentage of their incomes that is spent on Government-imposed increases in the public sector and in public services which are well above the level of inflation is minute compared with the percentage spent by the poor people of my constituency.

For real people, the Government have made life more miserable by increasing unemployment and imposing cuts in public services. People live in public and private sector housing which is poorer than it was in 1979. The hon. Member for Teignbridge said that nothing more could be offered. Surely he is not trying to boast that the Government's economic policy has been good for the people of this country or that people are better off under this Government. The people of this country, and particularly my constituents, are poorer, live in worse housing, have poorer public services and face higher health costs than before. They are desperate to see the end of this Government. I assure the hon. Gentleman that the opinion polls in Scotland are right, and that Conservative Members will be looking for a shadow Secretary of State for Scotland from among the English constituencies after the next general election.

8.23 pm

Mr. Edward Leigh (Gainsborough and Horncastle): It is a great pleasure to speak in the same debate as the hon. Members for Great Grimsby (Mr. Mitchell) and for Glasgow, Cathcart (Mr. Maxton), as I shall deal with some of the points with which they dealt.

My constituency is, of course, nowhere near Cathcart, but is is within three or four miles of Great Grimsby. I often enjoy reading the comments of the hon. Member for Great Grimsby in the *Grimsby Evening Telegraph*. Indeed, seldom a day passes when that populist Member is not talking about the ordinary man—*[Interruption.]* I do not know whether he is popular. Hardly a day passes without him talking about the effect of the Government's policy on the ordinary man—a subject that he dwelt on at length today.

The burden of the speeches of both hon. Members was that the Government are so blinded by their adherence to economic dogma and to concepts such as the PSBR, inflation and their "friends in the City"—as Opposition Members call them—that they are leading the country's economy to destruction. I think that the hon. Member for Cathcart said that the economy was not an end in itself but a means to an end. Of course I agree with that. We are concerned with concepts such as the PSBR, academic though they may be, because such concepts directly affect the ordinary people of Grimsby and Gainsborough. They directly affect those ordinary people, because a high PSBR will lead to high interest rates and high inflation.

It is strange that the motion, which I have read carefully, should deal with prices but fail to mention inflation. It is surely common sense that it is impossible to hold down prices if the Government have not succeeded in holding down inflation. I am sorry that the hon. Member for Great Grimsby is not in the Chamber to hear my comments, but perhaps he will read about them in the *Grimsby Evening Telegraph* tomorrow. Indeed, I am sure that his speech will be in that paper.

It is a pity that the hon. Gentleman thinks of inflation as an academic policy. Perhaps he does not want to talk about the Government's record on inflation, because he knows that the Government have reduced it to a quarter of the level that it reached under the last Labour Government. They have succeeded in doing that without having to have recourse to the prices and incomes policy to which the Social Democrats and Liberals are wedded. Incidentally, I am sorry that there are no SDP or Liberal Members in the Chamber. The Government have also succeeded in reducing inflation without having to have recourse to dividend or price control.

Mr. Maxton: They have used unemployment instead.

Mr. Leigh: The Government have not used unemployment. Rather, they have adopted sensible policies. They have looked at the PSBR and succeeded in reducing interest rates and inflation, thus making Great Britain more competitive in world markets.

In recent weeks, the Opposition have made great play of inflation rising to 7 per cent. Surely, that rise points to the need to be even more circumspect in our management of the economy and to ignore the policies of higher Government spending that the Opposition have asked us to pursue today. They would inevitably lead to a higher PSBR, higher interest rates and eventually higher inflation.

The increase in inflation to 7 per cent. is a result of the strengthening dollar. As hon. Members have said, that has forced the Government to increase interest rates. It shows that we must continue our policies and that we must exercise great care. But the long-term prospects for Great Britain remain good. In May, raw material and fuel prices fell by 1·1 per cent., which is the best figure since 1982. As my hon. Friend the Member for Teignbridge (Mr. Nicholls) said, inflation is still lower than in any month under the Labour Government. At the end of Labour's period of office, the trend was decidedly upwards.

Thus, I say to the hon. Member for Great Grimsby that the PSBR is not an academic subject, but is of concern to his ordinary voters in Great Grimsby. The hon. Gentleman refused to look at the facts and figures for the PSBR. For 1985-86, the PSBR is £7 billion or 2 per cent. of gross domestic product. That is as low as it has been since 1971-72. In 1975-76, it was £10·7 billion, and rising. Incidentally, shortly after that, the hon. Member for Great Grimsby was first elected to the House with a very small majority. In 1979, his majority increased to about 6,000. However, as a result of the successful policies pursued by the Conservative Government between 1979 and 1983, his majority fell from 6,000 to a matter of hundreds at the last election.

Mr. Maxton: On that basis, perhaps the hon. Gentleman can explain why my majority rose from 1,700 to 4,250.

Mr. Leigh: Perhaps it was because the hon. Gentleman was no longer opposed by my skilful hon. Friend the Member for Southend, East (Mr. Taylor). I can speak only for the area that I represent. I think that it is strange that the hon. Member for Great Grimsby's majority should fall so dramatically between 1979 and 1983. His majority fell to the level at which it stood when he won a by-election when the Labour Government were in office and the PSBR was high.

Opposition Members have told scare stories about VAT on children's shoes and food. They were inaccurate, just as the scare story about VAT in tonight's motion is. Indirect tax changes have little effect on the retail prices index.

Increases in indirect taxation have enabled the Government to reduce direct taxation. The hon. Members for Great Grimsby and for Cathcart allege that the Government are concerned only about the rich. I tried to intervene earlier, but the hon. Member for Great Grimsby would not give way. If we are concerned only with the rich, why are personal allowances 20 per cent. higher than they were when the Government came to office?

Personal allowances help everyone—the low income earner as well as the high income earner. Why is it that 1·25 million fewer ordinary people now pay tax than when the Government came into office? Is that because the Government are concerned only about protecting the pockets of the rich? That is an absurd claim, which is not borne out by the facts or by the Conservative Government's record in raising the tax thresholds for low-paid workers.

The hon. Member for Great Grimsby gave the impression that the economy was grinding to a halt. The facts do not bear that out. This is the fifth year of growth. The growth rate has been 2·5 per cent. each year since 1981. The forecasts are that the United Kingdom will have the fastest growth rate in Europe.

There is no shortage of demand. The country's problems are related not to a shortage of demand, but to the failure of British industry to meet the demand in the home and international markets. Retail sales were up 4 per cent. in the three months to April this year.

In 1984 we experienced the fifth year of current account surplus trade in world markets. We have created 600,000 new jobs since 1983. We have created more jobs than the SDP promised to create in its manifesto, in which it also said that it would increase the public sector borrowing requirement by £2 billion.

I am sorry that the SDP spokesman, the hon. Member for Woolwich (Mr. Cartwright), was not present for the earlier part of my speech. He will not have heard my warnings about increasing the PSBR.

We hear a lot about the increase in gas prices. How did the Labour Government hold down gas prices between 1974 and 1979? They held prices down at the expense of the industrial consumer—and the industrial consumer provides jobs in Great Grimsby and Cathcart. The industrial consumer in those areas was subsidising the domestic consumer in Surrey.

We do not hear much from the hon. Member for Great Grimsby about the 30 per cent. of householders in rural areas who have no gas supplies. I represent a large rural constituency consisting of 170 parishes and covering over 750 square miles. The village where I live, in the middle of my constituency, does not have a gas supply. Some villages in rural Lincolnshire were subsidising the domestic consumers in the urban areas, and the industrial consumer was also subsidising domestic consumers. That could not be allowed to continue.

Electricity prices have increased under this Government. No one welcomes that, but it is an economic reality. Under this Government electricity prices have increased by only 6 per cent. in the last three years. Under the Labour Government, electricity prices increased on average by 2 per cent. every six weeks.

Our gas prices are the lowest in the EEC. Since 1983 gas prices have risen only twice—by less than the rate of inflation. The Government's policies are encouraging a sense of conservation. Under Labour, between 1974 and 1979, domestic gas prices rose by 19 per cent. and industrial gas prices rose by 112 per cent.

Water charges are of interest to my constituents. I have received letters expressing anxiety about increased charges by the Anglian water authority. The rate of return for water authorities is only 1 per cent. We are asking the Anglian and other water authorities to increase that return to 1·4 per cent. in 1985-86 and to 1·7 per cent. in 1986-87. I do not think that that is too much to ask.

The targets compare with the rate of return for other nationalised industries. The figure for the electricity supply industry is 2·5 per cent., for the gas industry it is 4 per cent., and for British Airways it is 5·7 per cent.

A current cost rate of return averaging 9 per cent. for major non-oil industrial and commercial companies in the private sector in 1983 was reported in the Bank of England Quarterly Bulletin published in September 1984. Making every allowance for the special circumstances and responsibilities of water authorities, a rate of return of between 1 and 2 per cent. is in no way excessive. I am sure that the House shares that view. The improved rate of return, while reducing the water authorities' demand on public sector borrowing, will also finance an increase in capital expenditure of £80 million, or 12 per cent., in the present financial year. Further real increases in capital expenditure are likely in the following two years.

The average increase in water charges in England in 1985-86 will amount to less than 17p per week. Water charges account for only about 1 per cent. of the average householder's budget. That puts the matter into perspective. I am sure that the public will therefore support the Government's determination to force water authorities to achieve a higher rate of return. Unless they achieve that rate, it will not be possible to privatise the water authorities.

My constituents will support a privatisation policy. The Government's programme of privatisation measures, of which the sale of shares in British Telecom is the best example, shows that privatisation leads to increased efficiency, enterprise and competition and to greater employee involvement through share ownership by the work force.

In Lincolnshire we have a proud record of self-employment and of people becoming involved in their own industries. I remain confident that the Government's policies on gas and electricity pricing, on water charges and on privatisation, far from leading to the Government's demise, as the hon. Member for Cathcart alleges, will lead to a resounding Conservative victory at the next election.

8.38 pm

Mr. Frank Haynes (Ashfield): I have read the Opposition's motion and listened to my right hon. Friend the Member for Birmingham, Sparkbrook (Mr. Hattersley), who stuck rigidly to the motion. He set out in detail where the Government are going wrong in relation to representing all the people in the nation. The Government amendment tries to describe what has happened and what will happen in the future in the interests of the nation.

Having looked at the Opposition motion and the Government amendment, I come to the Chief Secretary, who presented the Government's case. He reminds me of what happens at Sunday markets. More often than not, those markets include auctioneers. I have another name for them—I call them Flash Harrys. The Chief Secretary made a Flash Harry contribution. We know what will happen during the next couple of years and what will happen when we have our first opportunity to get rid of this Government and put in their place people who are really interested in acting for all the people, not just a few.

The Chief Secretary's speech clearly showed where everything has gone wrong. People in the lower income groups are suffering. In a flashy contribution, the right hon. and learned Gentleman tied up the problem with a blue ribbon in the hope that he would get away with it. He and his Government will not get away with it. I shall tell the few Conservative Members who have sat here during almost all of the sitting—[HON. MEMBERS: "What about the Opposition?"] I have the Floor. When the Conservative Benches are full, as at Prime Minister's Question time, I have looked along each row and thought how many Conservative Members are involved in financial institutions. That is the problem. They do not know anything about the practical side of life and about how the ordinary folk live. Their minds are stuck on finance all the time. That is where their minds are, even when they go to bed.

Mr. Brandon-Bravo: Will the hon. Gentleman give way?

Mr. Haynes: The hon. Gentleman has already spoken and had his bite. Other hon. Members want to have a bite as well. The hon. Gentleman happens to be one of those hon. Members who have their heads stuck in the financial institutions.

Labour Members clearly understand what is happening, and they do not want any more. The people are demonstrating and saying in no uncertain terms that they have had enough of what the Government are doing. This is particularly so in the towns where by-elections are held.

Massive profits have been made from gas, yet the Government are making the authorities increase prices at a time when that money is not needed. The same is true of electricity. The electricity authorities have been told to increase charges. I do not want a brush-off from the Secretary of State on this issue.

What a story there is to tell about water. The Severn-Trent water authority was instructed by the Government to increase water rates by 12 per cent. What did the chairman of the Thames water authority say when the authority was instructed to increase water rates by 9 per cent.? He said on television, "We need only a 3 per cent. increase." Yet, once again, water rates are being bumped up for the ordinary folk. Never mind about the rich; they can look after themselves. This Government do a good job of looking after them. The ordinary folk will have to meet the bills that the Government have forced on the public authorities.

About three years ago, I told the House that this Government would be the first to achieve a price of £2 a gallon for petrol, and they have done it. They can do anything with their massive majority. They do not realise what this means, because their heads are stuck in the clouds and financial institutions. When petrol prices are increased to that level, every price in the shops is affected because of the cost of transportation. The Government are half asleep. They cannot see that side of the argument. In fact, they do not want to see it.

Mr. Don Dixon (Jarrow): What about prescription charges?

Mr. Haynes: Hon. Members have referred to prescription charges. The Secretary of State for the Environment, who is a former Secretary of State for Social Services, is sitting on the Treasury Bench at the moment. He played a big part in the increase in prescription charges. He should be ashamed of himself. The right hon. Gentleman can grin, but this is a serious matter. When he was Secretary of State for Social Services, the Government were planning behind closed doors — no doubt the right hon. Gentleman will deny this, but the many leaked documents have informed us of what happened—to charge patients for going to a doctor. The right hon. Gentleman may deny it, but we know that it is true. This is the way in which the Government make the ordinary people pay.

What about rates and local authorities?

Mr. Dixon: The Secretary of State is responsible there too.

Mr. Haynes: That is right. We shall probably refer to him again in relation to increases in rates and prices. Because of the reduction in RSG, rates have had to be boosted——

Mr. Brandon-Bravo: Will the right hon. Gentleman give way?

Mr. Haynes: I am not a right hon. Gentleman, and I shall not give way.

Mr. Brandon-Bravo: Will the hon. Gentleman give way on this point?

Mr. Haynes: I shall not give way.

Because of the reduction in RSG, local people will have to put their hands in their pockets again to pay for increased rates.

Before the 1979 election, the Conservative party said that there should be less Government control. The present Secretary of State for Defence was bawling and shouting —just as I am doing now—that there should be less Government control. I remember when the present Secretary of State for the Environment was speaking from the Dispatch Box one night and Mr. Speaker could not control this place. He had to adjourn the House for 10 minutes. The Secretary of State was saying that local authorities had to increase their rents by £2·50 a week. He set a precedent. Previously, local authorities had determined their own rates. The Secretary of State wanted a massive rents increase, and this has continued ever since under his administration.

Mr. Brandon-Bravo: Will the hon. Gentleman give way?

Mr. Haynes: I shall not give way. Will you tell the hon. Member for Nottingham, South (Mr. Brandon-Bravo) to sit down, Mr. Deputy Speaker?

I do not deny that the sale of council houses is a good measure. Nevertheless, we have had arguments about it. What has happened? We do not hear Conservative Members talk about their surgeries. I shall tell them about the people who have bought their council houses. They have come to my surgery on a Saturday morning and told me that they cannot keep up with the repayments because of the Government's policy. The Government are driving people from their homes. This is happening in the public and the private sectors.

These serious subjects are not funny. We are talking about a Government who are doing the wrong thing and making life rough for the lower income groups. The message is getting through. The people of Britain have had a bellyful of Conservative policies and they do not want much more of them.

I recall listening to some comments made one night by the right hon. Member for Old Bexley and Sidcup (Mr. Heath) when the present Home Secretary was speaking. We were told that the nation was getting up off the floor and that the economy was improving. The right hon. Member for Old Bexley and Sidcup said that, in his view, we had not yet reached the bottom. I fear that, even now, we have not yet reached the bottom. The trouble is that, the longer the recession lasts and we have Conservative policies, the worse the situation becomes.

What the Government are perpetrating today is a racket, a con trick. I regularly visit pensioners' groups and hear their complaints. I tell them what the Conservatives are doing. Among their complaints is the present situation of TV licences. Friction is bound to be generated among elderly groups when some pay only 5p and others have to pay the full whack. My hon. Friends and I twice tried to persuade the Government to remedy that state of affairs, but they refused to take action, complaining that public expenditure had to be reduced. They can find millions for the rich, but cannot help the poor pensioner.

Standing charges represent an enormous rip-off. Whenever the Treasury is looking for money, standing charges are increased, and those in the lower income groups and the pensioners suffer. They must find the extra money to finance the idle rich—that is what I call them —who are raking in the money at the expense of the poor.

I made a discovery the other day, which I trust will be noted by Conservative Members. I gather that an allocation of cheap EEC butter was made to the House of Commons. Despite the salaries that we in Parliament receive, 1½ tonnes of EEC butter came here. I did not notice any price reductions in this place. It is disgusting that cheap butter should come here. It should have gone elsewhere, where it was needed.

Mr. Dixon: Is it not a fact that the Government would sooner give cheap butter to Russia to feed their troops than to Britain's old-age pensioners?

Mr. Haynes: My hon. Friend makes a valid point. We frequently hear the Prime Minister — in this place, on television and at meetings — referring to the "rotten Russians" and saying that we must stand up to them. She claims that we must have nuclear weapons so that, if necessary, we can knock them about a bit. As the Government are party to the EEC, why are they permitting butter to be sold to Russia at 10p per lb?

Mr. Peter Hardy (Wentworth): Is my hon. Friend aware that, in addition to giving the Russians butter at concessionary prices, for five successive years the EC has allowed the Russians to double their purchases of wine at about 4½p a litre, presumably to promote alcoholic euphoria?

Mr. Haynes: My hon. Friend is obviously an expert on the subject. I am obliged to him for that intervention, because I did not know that fact. It is clear that, the more one talks about these problems, the worse the situation becomes.

When the present Foreign Secretary was Chancellor of the Exchequer, he was questioned about how much was involved in the black economy, and he replied that the figure was about £4 billion. When asked what he intended to do about it, especially from the income tax point of view, he replied that he did not have the money to put more people on the job of chasing up the money that was due. He had just sacked 160 people from the Treasury; they could have investigated the matter.

We are still in much the same situation, with the black economy as large as ever. All that income tax is owed by people who get away with it, while the ordinary workers pay their tax through PAYE. It is clear that those getting away with it contribute to Conservative party funds. As always, the Government are looking after their own kind.

The hon. Member for Teignbridge (Mr. Nicholls) spoke about history. My hon. Friend the Member for Glasgow, Cathcart (Mr. Maxton) replied to that speech, but even he did not go back far enough. It is clear, for example, that the policies that were being pursued in the 1920s by the then Tory Administration are the very policies that are still being pursued by the Conservatives. History is repeating itself.

I must comment on the remarks of the hon. Member for Gainsborough and Horncastle (Mr. Leigh), who took a swipe at my hon. Friend the Member for Great Grimsby (Mr. Mitchell) and spoke of my hon. Friend's majority. As usual, the hon. Member for Gainsborough and Horncastle got it wrong. I agree that my hon. Friend's majority fell at the last general election, but we have had the Conservatives in office for the last six years and, as part of their actions, we have had boundary changes. Those changes, as usual, have been in favour of the Government of the day. Some rich Tory areas were included in Great Grimsby, and down went my hon. Friend's majority.

Mr. Leigh *rose*——

Mr. Haynes: I will not give way to the hon. Gentleman, who made his point, which I have disposed of.

The people of Britain have got the message. They have had enough. They have had a bellyful of the lot who are now in power. The sooner we get the opportunity to kick them out, and put our lot in, the better off we shall all be.

8.58 pm

Mr. David Maclean (Penrith and The Border): I apologise for not being in my place for about one and a

[Mr. David Maclean]

half hours of the debate. I hope that during that period something more enlightening was said than I heard during the opening stages of the debate.

Having read the motion and heard the opening remarks of the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley), I was not sure which side to support. I was in a bit of a quandary. It appeared to me that the Labour party was being converted to the fight against inflation and that I might have to lend it my support in the Lobby. However, I was wrong on two counts. First, the Opposition were not converted to the fight against inflation. Only three or four Opposition Members were present in the Chamber. Half a dozen Opposition Members are present now, but this is a major Opposition attack and it is the Opposition's 15th allotted day.

The Conservatives do not need massed ranks on their Benches to defend themselves. This is not a Government motion, with all the Conservatives being wheeled in to vote for it. This is a major Opposition attack, during which three or four Opposition Members have been present. Of those Opposition Members who have been present, most have had no policies to offer, but merely humbug—the same old humbug that we have had from the Opposition over the last few years. We have had humbug over inflation from the party which continually presided over an inflation rate of more than 20 per cent. when it was in office.

Mr. William Powell (Corby): My hon. Friend will recall that for most of the time the only five Opposition Members present on the Back Benches were four current Whips and one ex-Whip.

Mr. Maclean: My hon. Friend is right. That is why they attempted to filibuster. They have nothing else to offer.

We had humbug over inflation, and humbug over taxation from the party which promised to tax the rich until the pips squeaked. The hon. Member for Oldham, West (Mr. Meacher) believes that the rich are families with incomes of £15,000 to £20,000 and over.

We then had humbug over electricity prices from the party which put up electricity prices by 2 per cent. every six weeks when it was in office. *[Interruption.]* Sedentary interventions from Opposition Members will serve only to delay me further. If Opposition Members had spoken more shortly, there would be more time for other Back Benchers to speak.

We had humbug over mortgages from the party which hates home ownership and which fought against 1 million people in the country owning their own homes. The final example of humbug was over water rates from the party which urges the Government to spend more on water infrastructure.

There are many matters which I could mention, but I wish to mention only one. It was not referred to by any Opposition Members who spoke, because the Opposition do not like mentioning it. I am referring to food prices. During their period in office the Labour Government presided over inflation rates of 18 per cent. in 1974, 26 per cent. in 1975, 23 per cent. in 1976, 17 per cent. in 1977 and 10 per cent. in 1978. Food prices, which always rise at only half the rate of inflation, were creeping up at exactly half those rates. When Opposition Members talk about the misery of the unemployed and the poor, it should be borne in mind that food prices are a major contributory factor and are rising at only half the rate of inflation.

The final point that I make so that Opposition Members may be allowed to continue the humbug with which they began the debate is this. I asked the Chancellor of the Exchequer in a written question some weeks ago to give the relationship between food prices and the average incomes for the ordinary average industrial worker in 1973-74 and now, because that is the crucial point. Do people today have to work longer and harder to buy the basic foodstuffs than before? The answer is no. If one considers every major commodity — milk, eggs, beef, pork, lamb, back bacon, chicken, butter, cheese, tomatoes —one sees that the ordinary average worker can pay for those commodities today by working for a fraction of the time that he had to work in 1974. The only exceptions are sugar and potatoes. That is a typical point, and one which has been ignored by the Opposition.

Food prices are the most important part of the fight against inflation. Those who are most affected are the poor, pensioners and those on fixed incomes, and they will be protected by our guarantee to increase social security benefits by 7 per cent. The country and the House owe a debt of gratitude to British farmers for keeping food prices at half the level of inflation. *[Interruption.]* The Opposition cannot stand that. That is why they do not mention it.

I hope that my right hon. Friend will pay attention to the level of food price increases in the country, which are only half the current level of inflation of 7 per cent., and to the fact that that figure is much less than the figure in any month when the Labour Government were in office. I know that the hon. Member for Kingston upon Hull, East (Mr. Prescott) cannot stand my telling him that when the Labour Government were in office the rate of inflation, every month, was greater than it is now. That is a fact, and it will not go away when I finish my speech.

I hope that my right hon. Friend will not tolerate the humbug that the House has had to tolerate during the four or five hours of the debate. The people of this country are better protected by this Government and by their control of inflation than they would be by all the ratbag nonsense that we have heard from the Opposition.

9.4 pm

Dr. John Cunningham (Copeland): This debate has been about prices, but it has also been about the Conservative Government's philosophy and the practical implications of that philosophy for the people of Britain and the British economy. It has been a somewhat mixed debate. There have been a number of combative speeches from both sides of the House. A few minutes ago, I was feeling rather sorry for the hon. Member for Penrith and The Borders (Mr. Maclean) because I thought that he would not be called to speak. I regretted that quietly, but when he was called, I regretted that more, because his time was not effectively used.

The House has again heard the well-rehearsed Tory arguments against public service provision, against the cost of such services and about the need to reduce public expenditure. The debate has provided another opportunity for us to demonstrate the huge and increasing gap between current Tory thinking and Labour party policies about the

future provision, finance and cost of services that are not only essential for social well-being in a plural democratic society but for the economic success of the country.

Since 1979, and increasingly since 1983, we have seen a remorseless attack on the public services so necessary for people's everyday lives — their housing, energy, education, health, transport and local government. Through deliberate acts of policy, the Government have forced people to spend more of their family incomes to pay for such services, while increasing the tax burden on everyone except the highest paid in our society. Those points have been made effectively by my hon. Friends the Members for Glasgow, Cathcart (Mr. Maxton), for Leeds, Central (Mr. Fatchett) and for Great Grimsby (Mr. Mitchell).

While we renounce that approach and the whole market forces philosophy of the Government, and the social market policies of the alliance as well, we complain that even now the Adminstration seek to disguise the true nature of their intentions from the country. Nowhere is that charge more true, and more clearly illustrated, than in the Government's treatment of the social security review and the tawdry attempts to withhold figures and deny Parliament and the people the truth.

As a central part of that political philosophy, the Government continue to shift burdens from the well-off, the large income earners, to those less able to bear them. As a cornerstone of Tory policy, like all previous Tory Governments, the Administration undermine the foundations of community provision and introduce higher charges at the same time, requiring people to pay more for a less effective, and often lower-quality, service.

In addition to this attack on the belief in public services and the indifference of Conservatives, which we have seen amply demonstrated in the debate, to the consequences for millions of people who have no choice but to use those services, Ministers argue that, for economic policy reasons, such charges are essential. I was astonished by one facet of Conservative contributions to the debate. In the time that I was in the Chamber, not one Conservative Member mentioned unemployment and its consequences.

Mr. Brandon-Barvo: I did.

Dr. Cunningham: I may not have heard all the hon. Gentleman's speech, so I apologise. However, I did not hear any Conservative Member talk at any length about the consequences for the nation or for individuals of the inexorable growth in unemployment as a result of six years of these policies.

The Prime Minister, perhaps above all, has made, and continues to make, grandiose claims about her Government's approach, but the reality is different. No matter how fine the phrases or quotations from St. Francis, the talk of more freedoms and more choice, the rhetoric is a million miles from the facts. The facts are that the Government's policies blur decency and kindness, breed ill-will and discontent, and cheapen human life and our society. The Government have acted deliberately and directly to increase prices across the rang of family expenditure, as the record of the past six years clearly demonstrates. VAT has doubled, and there has been a tenfold increase in prescription charges. The hon. Member for Teinbridge (Mr. Nicholls) in an aggressive attack on the Labour party, said that prescriptions did not cost as much as they did under the Labour Government. Yet under the Labour Government a prescription cost 20p, whereas they now cost £2 per item. That seemed a strange bit of economics or even simple arithmetic to me.

With such cuts, the Government have cynically cast aside their election promises. Housing costs have rocketed for all families, whether they pay rent and rates or mortgages and rates. Indeed, the Government have deliberately forced up rents, mortgages and rates. Average rents have increased by more than 166 per cent., and in some areas by much larger figures. Some Tory councils subsidise the council's activities by making huge transfers from the housing account, thereby effectively taxing local council house tenants. In addition, more and more of the costs of maintenance and repair fall on the tenants as financial support for local authorities to maintain their housing stock is reduced.

My right hon. Friend the Member for Birmingham, Sparkbrook (Mr. Hattersley) said that mortgage interest rates are at record levels and have been consistently high throughout the Government's term of office. Rates have been deliberately forced up by the systematic reduction in rate support grant, which has been continued by the Secretary of State for the Environment. That view is held not only by the Opposition, as some Conservative Members have suggested, but by the Audit Commission, the Comptroller and Auditor General, a Select Committee and every local authority association.

Average weekly rates payments, including water charges, have risen from £3·19 in 1978-79 to £8·27 in England and Wales. In Scotland, the increase is even higher, from £2·54 a week to £7·63 a week—a threefold increase. That is a measure of the impact of the Government's policies on housing costs to millions of families. At constant prices, those figures represent a weekly extra cost of £2·20 in England and Wales and £2·70 in Scotland.

Those additional costs, which are the deliberate and inevitable result of Tory policies, strike at the heart of family budgets and family life. It is no wonder that a major consequence in the public sector and among owner-occupiers is that 3·5 million houses are now in an unsatisfactory state of repair, as the right hon. Gentleman's Green Paper on improvement grants confesses on the first page. It is no accident that a second consequence of these policies is that homelessness is on the increase.

Mr. Brandon-Bravo: Does the hon. Gentleman accept that, as a direct result of the Government's policies, the right to buy produces for 50,000 families in Nottingham a rent reduction of £3·60 a week? That is the value to the housing revenue account in a city such as Nottingham of the profit from the right to buy. I have tried more than once to get the hon. Gentleman to understand the difference between capital receipts and the revenue benefit that flows from them.

Dr. Cunningham: If the hon. Member for Nottingham, South (Mr. Brandon-Bravo) says that that is true in the city of Nottingham, I believe what he says. I am not suggesting that he is trying to mislead the House. I assume that he is referring to the Labour-controlled Nottingham city council when he talks about the good administration of the city's affairs. As for his point about revenue and capital receipts, of course I understand the difference — *[Interruption.]* I regret that the hon.

[Dr. Cunningham]

Gentleman, from a sedentary position, is being offensive even though I gave way to him. If I misheard what he said earlier, I apologise, but I thought that he was making a spurious point and I said so.

I was making a point about the deteriorating state of the national housing stock and about homelessness increasing. The Royal Institute of British Architects — hardly a bastion of Socialism—in a recent publication described what it saw as "decaying Britain." It said:

"The Government's attitude to the built environment can best be described as conditioning people to the death of the places in which they live, work and bring up their children."

That is a graphic description of what is happening to the built environment in Britain.

Yet worse is to come. We learn from the Green Paper that improvement grants are likely to be reduced in scope and value, thus exacerbating the decline in the nation's housing stock. In addition, between 3 million and 4 million pensioners and families face extra burdens with their rates because the social security review suggests that in future they should contribute up to 20 per cent. themselves. They are currently receiving 100 per cent. rebates because of their low incomes. They include about 1 million pensioners.

Over the same period, the record is similar for energy charges—a tax on gas, public transport fares, charges for school meals—where they still exist—and, under some Tory authorities, additional charges for home helps and meals on wheels.

I was much taken by comparisons with what has been happening with energy prices and rising costs between the last Labour Administration and the present Government. Every Conservative Member — including the Chief Secretary—carefully omitted to mention that between 1974 and 1979 there was a world energy crisis. Oil prices were being hiked up by colossal amounts. Britain had massive import bills for oil running into billions of pounds. The Chancellor and the Prime Minister—and, indeed, everyone on the Treasury Bench — have enjoyed a unique opportunity among western industrial nations. We are the only country in the western industrial world to be self-sufficient in energy—to be producing more oil than we need and even, currently, to be producing more than Saudi Arabia. It is a massive advantage and a huge difference between the circumstances in the middle to late 1970s and those of the present time.

The reality is that that massive opportunity is being recklessly squandered by the Government. We have it on good authority—it has been confirmed by Conservative speakers today—that the Government's stated intention is that more of the same is to follow—what of the intended claims for this philosophy and its attendant economic nostrums. Millions of people are worse off than ever before; unemployment is rising inexorably; investment and industrial output has slumped—that is the price that the country has paid for the failed economic doctrines of Thatcherism.

I contrast starkly what the Chancellor said during the general election campaign about unemployment—that it was likely to fall. His best estimate was that unemployment would go down. Shortly after his appointment he was interviewed on the television programme "Face the Press". In boxing parlance, he was caught cold. I have the transcript here and I shall quote the right hon. Gentleman verbatim. When he was asked about his promise that unemployment would fall he said:

"I didn't believe with, with ah, ah, particular confidence, I just said that speaking purely personally, ah, my ah best guess was that there was a good chance that that might happen. Ah, it's very very difficult to — to predict the course of unemployment".

Having recently been promoted to his important, senior position in the Government, that was what the right hon. Gentleman had to say. The story has been different since that interview. Ever since then, and ever since the right hon. Gentleman's appointment as Chancellor of the Exchequer, unemployment has continued to get worse and worse and worse. That is the biggest price that the people are paying for the failed economic doctrines of this Administration.

It is not as though the goals look like being achieved in the time scale of the right hon. Gentleman's famous medium-term financial strategy. In regard to the Government's claims about public expenditure, in 1979 it was taking 39·5 per cent. of national income. Last year, it took 42·5 per cent. The Government, having committed themselves to the control of public expenditure, are presiding over the taking of a bigger share of the national cake.

In Britain, in 1979, inflation was 0·6 per cent. above the OECD average. In 1985 it is 1·4 per cent. above that average. Taking the figure of 100 for national income in 1979, in the OECD, national income has risen on average by 9·7 per cent.; in Britain the rise has been 3·9 per cent. In 1979 unemployment in Britain was 5·5 per cent. compared with the OECD average of 5·1 per cent.; today the British figure is 13·5 per cent. and the OECD average is 8·2 per cent. Those are the records of the Government in international comparisons. The goals are not being achieved and they do not look like being achieved.

The Prime Minister in opposition once said of the Labour Government:

"The Labour Government loves to blame every ill and error on nameless world trends."

Now she enjoins us to consider world conditions. We do. Her record is miserable when compared with the top six industrial nations which are equally, if not more, adversely affected by prevailing world conditions than Britain, particularly because of our energy self-sufficiency. Not one of those countries — the United States, Canada, Japan, the Federal Republic of Germany, Italy or France — has enjoyed the massive economic boost and the security of self-sufficiency in energy that Britain and this Prime Minister, alone of all Prime Ministers, have enjoyed.

The British people are told to be patient. In 1981, in 1982 and again in 1983, the right hon. Lady, the present Foreign Secretary and, more recently, the present Chancellor of the Exchequer all forecast recovery and success for their policies. In his contribution to the debate, the hon. Member for Gainsborough and Horncastle (Mr. Leigh) urged people to be patient. He said that, in the face of the difficulties, the Government should go on being prudent; Patience and Prudence—a pair of Tory twins in tweeds and twinsets.

Mrs. Edwina Currie (Derbyshire, South): And pearls.

Dr. Cunningham: And pearls, if the hon. Lady says so.

Mr. Straw: Fake pearls.

Dr. Cunningham: The country is running out of patience. That was demonstrated last year in the local government elections, it was demonstrated again this year in the county council elections, it will be demonstrated in the Brecon and Radnor by-election and it will be demonstrated even more forcefully next year in the local government elections. The Government are on the way out, because the nation's patience is running out.

There are no successes for the Government's philosophy and there are no successes for their economic policies. Some years ago, the Foreign Secretary said that, in two or three years, the Government would have inflation down to 3 per cent. As my right hon. Friend the Member for Sparkbrook said today, the Prime Minister repeated that claim on her tour of south-east Asia. I offer the Chancellor of the Exchequer or the Secretary of State for the Environment the opportunity to intervene now or to say in winding up when inflation will be at 3 per cent. The Prime Minister's promise to the nation is that it will be there before the next general election—perhaps two or two and a half years from now. Rather like the right hon. Lady's frequent promise to abolish the rates, it is rather hollow.

I have said that unemployment is the Government's biggest failure. It is a huge failure and the biggest price that we all pay. We are told that, with patience and prudence, unemployment will start to come down. I am reminded of Ambrose Bierce, who wrote:

"Patience is a form of despair disguised as a virtue".

and of an old Chinese proverb which sums the Government up:

"Prudence stretched too far blocks the road to progress."

The Government are indeed blocking the road to progress for the British people. The price for the Government's appalling and contemptible failures is being paid by the British people. The money cost of unemployment is about £20 billion annually. There is a higher price and a greater cost however. It was perhaps best described in the brilliant and enduring work of Jacob Bronowski—"The Ascent of Man"—when he wrote:

"The personal commitment of a man or a woman to their skill, the intellectual commitment and emotional commitment working together as one, has made the ascent of man."

The biggest price being paid by men and women, young and old, black and white, as a result of the Government's failures is the absolute denial of the fulfilment of those commitments.

9.28 pm

The Secretary of State for the Environment (Mr. Patrick Jenkin): It might come as news to many of those Opposition Members who have joined the debate in the last few minutes that, for almost all of this debate on an Opposition motion and on a day when they have chosen the subject, there were perhaps never more than half a dozen Opposition Members present.—[HON. MEMBERS: "Look behind you."] It is the Opposition's debate. I must tell the Opposition that that was forecast last Friday in *The Guardian* under the heading, "Empty Bench Problem." The article said:

"Labour will do well to have the benches full next Wednesday for their Opposition debate on price increases forced on the public by the Government through the public corporations."

The Opposition did not do well, because until the last few minutes there have been very few. I imagine that Opposition Members have only recently returned from Ascot.

There have been some interesting speeches in the debate. I particularly congratulate my hon. Friend the Member for Lewisham, West (Mr. Maples), who made a speech about the causes and origins of inflation which I think would be well worth re-reading by hon. Members. I also congratulate my hon. Friends the Members for Teignbridge (Mr. Nicholls) and for Gainsborough and Horncastle (Mr. Leigh) on having exposed the hypocrisy of the Labour party in attacking the Government on the subject of inflation.

I listened, too, to the speech by the hon. Member for Great Grimsby (Mr. Mitchell). It was a most astonishing and misguided oration. He did not seem to realise that at present this country is enjoying the highest growth rate in the European Community and that it now has a record volume of investment in the public and private sectors taken together. I do not believe that he can have read the report in the *Financial Times* this morning——

Mr. Hattersley *rose*——

Mr. Jenkin: No, I have only just started—under the heading, "Five-year peak for industrial output". It says:

"UK industrial output rose in April to its highest level for five years, according to Central Statistical Office figures."

It goes on:

"The figures show the fastest increase within manufacturing in recent months to have been in the capital and intermediate goods categories."

Dr. Cunningham *rose*——

Mr. Jenkin: No. I will give way later.

Dr. Cunningham *rose*——

Mr. Deputy Speaker: Order. The Secretary of State quite clearly is not giving way.

Dr. Cunningham *rose*——

Mr. Jenkin *rose*——

Mr. Deputy Speaker: Order. I am trying to protect the Secretary of State by appealing for a fair hearing for him. I want to hear his speech and I hope that hon. Members will allow me to do so.

Mr. Jenkin: The hon. Member for Copeland (Dr. Cunningham) made a speech about a great many subjects which appeared to have little or nothing to do with the motion. I should like to to come back straight away to what has been the essential theme of the speeches in this debate on both sides of the House, and that is the whole question of prices in the economy.

It is a fact which seems to have escaped the attention of many Opposition Members that all services provided by the public sector have to be paid for by somebody. They can be paid for by charging, they can be paid for by taxes or they can be paid for by borrowing and leaving future generations to pick up the bill. We could have a sensible debate about the right balance between the methods of payment and about how much the public sector ought to provide in total. What we cannot do, it seems to me, is to have a sensible debate about prices in isolation. Any attempt to hold prices down in isolation from other factors means either that those services are starved of resources or, if the demand is to be met at the reduced price, that taxation and borrowing are higher than they otherwise would be because of the subsidies necessary to ensure supply.

Of course, a Government can always hold down public sector prices by giving subsidies, but the cost has to be

[Mr. Jenkin]

paid by someone. There are two kinds of cost. If money is spent on subsidising a service — for example, bus fares, coal or water charges—something else on which that money might be spent goes without. It might be more investment in roads, opening new mines or repairing sewers.

The hon. Member for Rother Valley (Mr. Barron) referred to coal. What would the Labour party have done had it been faced with Mr. Scargill's demands last year? Would it have stood up to him and kept the subsidy under control?

Mr. Barron *rose*——

Mr. Jenkin: I shall not give way.

Would the Labour party have sustained investment in new pits?

Mr. Barron *rose*——

Mr. Jenkin: It would not, because in every debate we have had it made perfectly clear that it would have given in to the NUM's demands, sent the coal subsidy soaring and starved the industry of new capital. There is no greater humbug than for the Labour party at one and the same time to castigate the Government because we are not spending enough on capital investment and, as tonight, to castigate us because we do not increase subsidies on public sector prices.

Let us look at what Labour did when in office. By failing to ensure that the public industries charged economic prices—in effect, by subsidising those public goods and services — the last Labour Government starved the public services of capital investment. When Labour was in office, capital investment in the Health Service fell by 17 per cent., in roads by 30 per cent. and in the water industry by 33 per cent. Conversely, under the Conservatives, investment in hospitals, roads and water has increased. We are making the sensible choice of asking people to pay sensible charges so that we can maintain and increase capital investment.

Dr. Cunningham: I am grateful to the right hon. Gentleman for at last working up the courage to give way. He boasted about output. When will output under this Government get back to its 1979 level?

Mr. Jenkin: The hon. Gentleman asks about total output, and that is well above the 1979 level.

The second cost of subsidy is hidden, and it is perhaps all the more dangerous for that. If a service is subsidised, a whole range of economic decisions are taken on that basis. The pattern of investment is distorted, buying decisions reflect not consumer choice in the market but the political preferences in Whitehall, and the damage is all the worse if this happens in the public sector monopolies, dominated by public sector monopoly unions, where subsidy breeds inefficiency.

I make no apology for restating these facts. The Labour party has always refused to accept that if we pour out money on subsidy in one direction, we have less money to spend in another. If the Labour party had its way—if the motion means what it appears to mean—we would return to all the fudge of subsidy and price control—no-one knows more about that than the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley)—and all the distortion caused by taking resources from capital spending to subsidise revenue spending.

Mr. Hattersley: Does the right hon. Gentleman recall that he was the Minister for Energy who in 1974 left the gas and electricity industries with huge operating deficits? How does he justify that against what he said a moment ago? Will he answer the question that the Chief Secretary signally refused to answer? Were the last Labour Government right to avoid the subsidies that he had paid, even though he now preaches quite the opposite doctrine?

Mr. Jenkin: The right hon. Gentleman knows perfectly well that I was Minister for Energy for just seven weeks, but I want to give him a sensible answer. Yes, the Labour Government were right in their first two years to try to get back to sensible economic pricing in the light of the quotation by my right hon. and learned Friend the Chief Secretary of Mr. Eric Varley's White Paper on energy pricing. But the Labour Government failed to stick to that, and in their last two years they allowed prices to slip further and further behind and the industries to be more and more subsidised.

We believe in bringing home to people the economic cost of the goods and services for which they pay. At the same time as reducing subsidy, we are reducing monopoly, increasing competition and thus improving efficiency. In that way, costs are being held down, so investment can be sustained without raising taxes or increasing borrowing. The figures prove my case. Under Labour, despite subsidies, the price of goods and services produced mainly by the nationalised industries rose by 18 per cent. per year. In the first two years of the Conservative Government, when we had to correct the massive distortions of the last Labour years, the figure rose to 22 per cent., but in the last three years the average annual increase in nationalised industry prices has been little more than 7 per cent. That is markedly different from the Labour Government's record.

The hon. Member for Ashfield (Mr. Haynes) is not present, but he and others argue that the Government's record has been achieved at the expense of poorer households——

Mr. Haynes: On a point of order, Mr. Speaker. The Secretary of State says that I am not here. I am right here.

Mr. Jenkin: I apologise handsomely to the hon. Gentleman. I hope that he will listen to what I have to say. He will then see that he was wrong.

Under Labour, prices for pensioner households rose faster than inflation. Since 1979, the pensioner index has risen less than the general level of inflation. Labour's inflation hit everyone, but it hit the pensioners hardest. Even now, the Labour party has not grasped the fact that subsidy is the wrong way to help the worst off because the subsidy goes to all consumers. The better off a person is, the more he can afford to buy and the more he is subsidised. That is not a sensible way to spend money.

The hon. Member for Copeland referred to the water industry. We have slimmed down manpower in that industry from 63,000 to under 52,000 and we have brought real operating costs down, despite higher volumes and higher standards. We have made the new boards more efficient and businesslike. That is not my verdict. It is the verdict of the Monopolies and Mergers Commission. We

now want the water industry, like British Telecom, to look to investors rather than to taxpayers for capital. That is why we are examining the possibility of privatising the water authorities. The 33 per cent. cut in investment under Labour contrasts strongly with our policy. In cash terms we are increasing investment over the next three years from £738 million last year to £931 million in 1987-88—an increase of 22 per cent. The Labour party cut investment. We are increasing it.

Mr. Barron *rose*——

Mr. Jenkin: I am coming to the hon. Gentleman's point.

The argument in this debate is about who should pay for the investment. Should it be the taxpayer? Should we increase borrowing? This Government were not elected to raise taxes or to increase borrowing. Is it really so unreasonable to ask the industry to increase its return on assets from 1 per cent. per year to 2 per cent. per year? My hon. Friend the Member for Harrow, West (Sir J. Page) regards it as very reasonable, and I agree with him.

The hon. Member for Leeds, Central (Mr. Fatchett) mentioned rents. He received a good answer from my hon. Friend the Member for Nottingham, South (Mr. Brandon-Bravo) when he accused the Government of forcing up council rents. It seems that he has forgotten what the Labour party's policy was when in government. The Labour Government's housing policy Green Paper stated:

"The Government consider that over a run of years rents should keep broadly in line with changes in money incomes."

That was their policy.

When the Labour party gained power in 1974, average council house rents in England and Wales represented about 9·4 per cent. of average male earnings, but the Labour Government failed to follow their own policy. Instead, they went for the political option of allowing rent rises to fall further and further behind incomes. By 1979-80, average rents represented only 7 per cent. of male earnings. The Government have recognised that higher rents are necessary to finance management and maintenance. We therefore set rent guidelines substantially above inflation for the first three years. Since then, the guidelines have been in line with inflation. Average rents are now back to where they were 12 years ago in relation to incomes. This year, the proposed rent increase is just 60p per week.

Mr. Fatchett *rose*——

Mr. Jenkin: I want to respond to the debate, and I have only a limited time in which to do so.

The right hon. Member for Sparkbrook accused the Government of forcing up rates. Coming from the Labour party, that is rich. Under the previous Labour Government the average annual increase in domestic rates was 15 per cent. a year. Under this Government, average rate increases have been in single figures for three years, and that at a time when support from the taxpayer has been falling, quite rightly, to increase accountability to local ratepayers.

What about Labour's black sheep—the 16 Labour-controlled rate-capped councils? Early this year they told me what they would want to spend if they were free to do so. The figures came to more than £3·5 billion. We proposed a reduction of £400 million, and the rate limits were set accordingly. Rate-capping has succeeded. Ratepayers in the rate-capped areas have had the relief that we promised.

We have been told that high rates do not cost jobs. I am sure that many of my right hon. and hon. Friends have seen the advertisements placed by Leicester city council in mainline London tube stations. What do they say? They state:

"The lowest rates in the East Midlands. Come to Leicester."

Why is Leicester district council advertising the lowest rates in the east midlands? The answer is that we made it cut its rate by one third.

This Opposition day debate is about inflation, and, as a number of my hon. Friends have said, it is on inflation that every Labour Government have come to grief. No Government have ever been more discredited by their failure to control inflation than the previous Labour Government. Between 1974 and 1979 the average increase in prices was over 15 per cent. a year. In the first two years of this Government, it fell below 15 per cent. In the last three years the average increase has been just over 6 per cent.

The right hon. Member for Sparkbrook was asked by my hon. Friend the Member for Teignbridge to confirm that this month's 7 per cent. increase in inflation is a lower percentage increase than every month's increase in inflation under the previous Labour Government. Not surprisingly, the right hon. Gentleman declined to answer my hon. Friend's question. My hon. Friend was right. It is true that 7 per cent. was exceeded in every month of every year of the previous Labour Government's term in office. Inflation hits everybody, and the Labour Government made it hit the poor the hardest.

As my hon. Friend the Member for Penrith and The Border (Mr. Maclean) said, the price of food, on which the poor spend a greater part of their money than others, rose under the Labour Government over 10 per cent. faster than general inflation. Under the Conservatives, since 1979 food prices have risen 16 per cent. less than the general rate of inflation. In today's money, food costs less now than it did under Labour.

My hon. Friends the Members for Lewisham, West and for Warwickshire, North (Mr. Maude) mentioned electricity. Under Labour, electricity prices rose by 2 per cent. every six weeks throughout their period of office. Under us, electricity prices have risen by 2 per cent. over the whole of the past two years. Why should our record be so much better than that of the Labour Government? The answer lies in a well-known fact: that sooner or later all Labour Governments are forced to choose between looking after the country by keeping down inflation and looking after their trade union paymasters by letting pay rise. Last time pay was allowed to run away——

Mr. Wainwright: The Secretary of State is now embarking on the last part of his speech. Does he accept that the people of this country, particularly the people of mid-Wales, are no longer interested in the party that was in government six years ago? Will the right hon. Gentleman tell the House what the Government intend to do about prices today?

Mr. Jenkin: I can understand that the hon. Gentleman should be interested in Brecon and Radnor, as the alliance has a lot to catch up before it enters the race. If the people of Brecon and Radnor are told that the latest increase in inflation under this Government is still smaller than every

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single price increase under the last Labour Government, they will know where to put their crosses. Under Labour ——

Dr. Cunningham *rose*——

Mr. Jenkin: Under Labour, pay was allowed to run away until the Government's credit ran out. We were told to pin our hopes on the social contract. That brings me to the recent utterances of the right hon. Member for Sparkbrook. The right hon. Gentleman knows that he has no hope of controlling inflation unless the unions let him do so. We were told before, and we are being told now, that Labour is the party that can manage the unions and that Labour has a special relationship with them. Now the right hon. Member for Sparkbrook has launched his mark 2 version of his pay policy, which he calls a "social compact" — *[Interruption.]* First, we had a compact, then a contract, then a concordat, and now we have a compact again.

Mr. Straw *rose*——

Mr. Jenkin; The right hon. Member for——

Mr. Straw *rose*——

Mr. Speaker: Order. I do not think that the Secretary of State is giving way.

Mr. Jenkin *rose*——

Mr. Straw *rose*——

Mr. Speaker: Order. Mr. Secretary Jenkin.

Mr. Jenkin: The right hon. Member for Sparkbrook recently wrote that he would need "a pay norm." He is quite honest about it. He says that a Labour Government just cannot govern without a pay norm. He is also quoted in yesterday's edition of *The Guardian* as saying:

"It is not weak-mindedness which makes me say we can't go any further than the trade unions negotiate with us or we decide with the trade unions. It is a statement of fact . . . We can only go as fast as union members will accept".

The right hon. Gentleman is telling the truth. A Labour Government would be a Government in name only. The union bosses would be at their elbow. I have studied the right hon. Gentleman's writings, and I note that in the *New Socialist* he wrote:

"The compact is different, It's offering"

the unions

"a new opportunity to take part in Government."

But, bar the union bosses, who wants that? Labour has tried too often to powder their noses with this compact. The Labour party is showing not a new face, but the same raddled old face, wrinkled and worn. The whole House is sick of Labour's cosmetics.

If the Opposition table a motion disapproving of the Government's handling of the economy, they must offer credible alternative policies. The only new thing in their jobs and industry campaign is the razzmatazz, the tee-shirts, pop concerts, break dancers and body-bopping— *[Interruption.]* The right hon. Member for Sparkbrook may laugh, but all that is being done in his party's name.

As for credibility, Labour is still committed to the policies that lost them the last election. Labour Members still talk about import controls, exchange controls, incomes policy, price controls, the repeal of trade union legislation, more subsidies, massive increases in public spending and wholesale nationalisation. They still stand for those policies. They have not learnt a thing. We know what a Labour Government would do. They would impose higher taxes on everyone. The Opposition admit that. There would be more borrowing. Some Labour Members are proud of that. There would be higher inflation. That is featured in the right hon. Gentleman's writings.

By pushing up inflation, the Labour party hopes to cut unemployment, but under the last Labour Government inflation went up to 27 per cent. and unemployment doubled. The recipe is to tax, to borrow and to inflate. The result would be recession, depression and despair.

"Labour have lost the economic argument,"

Those are not my words. They are contained in an internal Labour party document leaked to the *New Statesman*. Labour's policies are "dangerously opaque." Again, those are not my words. The right hon. Member for Sparkbrook will recognise them as his.

In *Tribune*, on 10 May, the right hon. Gentleman is quoted as saying:

"Very much of the flight from confidence in previous Labour Governments has not been because antagonists abroad did not agree with what we did. It was because they feared we didn't know what the hell we were doing."

They still do not know.

Mr. Hattersley: I have been longing for the moment when the right hon. Gentleman could not resist giving way. Will he now answer the question asked at the beginning of the debate and later: are the Government committed to the Prime Minister's promise of 3 per cent. inflation by election day?

Mr. Jenkin: The Government's settled intention is to manage the economy so that inflation is steadily brought under control. We are committed to policies that will squeeze inflation out of the economy.

If people will behave sensibly about pay, if they will recognise that higher pay inevitably is reflected in higher costs unless it is matched by higher productivity, and if people can bargain sensibly about pay, bearing in mind not only those in work but those out of work, there is no reason why, by the time of the next election, we cannot get inflation in line with what the Prime Minister said. There is no reason why unemployment should not also begin to come down.

Dr. Cunningham *rose*——

Mr. Jenkin: Britain is the only country in Europe which is creating more employment. It is only a matter of time before the number of new jobs exceeds the number of unemployed. Then we shall have achieved our objective.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 166, Noes 272.

Division No. 243] **[10 pm**

AYES

Abse, Leo	Bermingham, Gerald
Alton, David	Bidwell, Sydney
Anderson, Donald	Blair, Anthony
Archer, Rt Hon Peter	Boothroyd, Miss Betty
Ashton, Joe	Boyes, Roland
Bagier, Gordon A. T.	Brown, Gordon *(D'f'mline E)*
Banks, Tony *(Newham NW)*	Brown, Hugh D. *(Provan)*
Barron, Kevin	Brown, R. *(N'c'tle-u-Tyne N)*
Beckett, Mrs Margaret	Brown, Ron *(E'burgh, Leith)*
Bell, Stuart	Bruce, Malcolm
Benn, Tony	Caborn, Richard
Bennett, A. *(Dent'n & Red'sh)*	Campbell, Ian

Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Concannon, Rt Hon J. D.
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Cunningham, Dr John
Dalyell, Tam
Davies, Rt Hon Denzil *(L'lli)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dormand, Jack
Douglas, Dick
Duffy, A. E. P.
Eadie, Alex
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Golding, John
Gould, Bryan
Gourlay, Harry
Hamilton, James *(M'well N)*
Hancock, Mr. Michael
Hardy, Peter
Harman, Ms Harriet
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Hattersley, Rt Hon Roy
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howell, Rt Hon D. *(S'heath)*
Howells, Geraint
Hoyle, Douglas
Hughes, Dr. Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Janner, Hon Greville
John, Brynmor
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kilroy-Silk, Robert
Lambie, David
Lamond, James
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
McCartney, Hugh
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
McKelvey, William
MacKenzie, Rt Hon Gregor
McTaggart, Robert
McWilliam, John
Madden, Max
Martin, Michael
Mason, Rt Hon Roy
Maynard, Miss Joan
Meacher, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Pike, Peter
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Robinson, G. *(Coventry NW)*
Rooker, J. W.
Rowlands, Ted
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, Rt Hon J. *(M'kl'ds E)*
Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Stewart, Rt Hon D. *(W Isles)*
Straw, Jack
Thomas, Dr R. *(Carmarthen)*
Thorne, Stan *(Preston)*
Tinn, James
Wainwright, R.
Welsh, Michael
White, James
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Woodall, Alec
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Frank Haynes and
Mr. John Maxton.

NOES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Benyon, William
Best, Keith
Bevan, David Gilroy
Biggs-Davison, Sir John
Blackburn, John
Body, Richard
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Boyson, Dr Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Buchanan-Smith, Rt Hon A.
Buck, Sir Antony
Budgen, Nick
Bulmer, Esmond
Burt, Alistair
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chope, Christopher
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Cope, John
Cormack, Patrick
Couchman, James
Cranborne, Viscount
Critchley, Julian
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord J.
du Cann, Rt Hon Sir Edward
Dunn, Robert
Durant, Tony
Dykes, Hugh
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Goodhart, Sir Philip
Goodlad, Alastair
Gorst, John
Grant, Sir Anthony
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Gummer, John Selwyn
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, Sir Paul *(SW N'folk)*
Hawksley, Warren
Hayhoe, Rt Hon Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Hickmet, Richard
Hicks, Robert
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hirst, Michael
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(N Norfolk)*
Hubbard-Miles, Peter
Hunt, David *(Wirral)*
Hunt, John *(Ravensbourne)*
Irving, Charles
Jackson, Robert
Jenkin, Rt Hon Patrick
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Kershaw, Sir Anthony
Key, Robert
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knowles, Michael
Knox, David
Lamont, Norman
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Luce, Richard
Lyell, Nicholas
McCrindle, Robert

McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McNair-Wilson, P. *(New F'st)*
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Merchant, Piers
Meyer, Sir Anthony
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Moate, Roger
Molyneaux, Rt Hon James
Montgomery, Sir Fergus
Morrison, Hon C. *(Devizes)*
Moynihan, Hon C.
Murphy, Christopher
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Newton, Tony
Nicholls, Patrick
Norris, Steven
Oppenheim, Phillip
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parris, Matthew
Patten, J. *(Oxf W & Abdgn)*
Pawsey, James
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, Rt Hon J. E. *(S Down)*
Powell, William *(Corby)*
Prentice, Rt Hon Reg
Price, Sir David
Proctor, K. Harvey
Pym, Rt Hon Francis
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridsdale, Sir Julian
Roberts, Wyn *(Conwy)*
Rost, Peter
Rowe, Andrew
Sainsbury, Hon Timothy
St. John-Stevas, Rt Hon N.
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shepherd, Colin *(Hereford)*
Silvester, Fred
Skeet, T. H. H.
Smith, Sir Dudley *(Warwick)*
Smyth, Rev W. M. *(Belfast S)*
Speed, Keith
Speller, Tony
Spicer, Michael *(S Worcs)*
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stokes, John
Stradling Thomas, J.
Taylor, Rt Hon John David
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Townsend, Cyril D. *(B'heath)*
Trippier, David
Twinn, Dr Ian
Vaughan, Sir Gerard
Waddington, David
Wakeham, Rt Hon John
Walden, George
Walker, Bill *(T'side N)*
Walker, Rt Hon P. *(W'cester)*
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watson, John
Watts, John
Wheeler, John
Winterton, Nicholas
Wood, Timothy
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Michael Neubert and
Mr. Mark Lennox-Boyd.

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith pursuant to Standing Order No. 33 (Questions on amendments)*:—

The House divided: Ayes 271, Noes 165.

Division No. 244] **[10.13 pm**

AYES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Benyon, William
Best, Keith
Bevan, David Gilroy
Biggs-Davison, Sir John
Blackburn, John
Body, Richard
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Boyson, Dr Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Buchanan-Smith, Rt Hon A.
Buck, Sir Antony
Budgen, Nick
Bulmer, Esmond
Burt, Alistair
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chope, Christopher
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Cope, John
Cormack, Patrick
Couchman, James
Cranborne, Viscount
Critchley, Julian
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord J.
du Cann, Rt Hon Sir Edward
Dunn, Robert
Durant, Tony
Dykes, Hugh
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Goodhart, Sir Philip
Goodlad, Alastair
Gorst, John
Grant, Sir Anthony
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Gummer, John Selwyn
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, Sir Paul *(SW N'folk)*
Hawksley, Warren
Hayhoe, Rt Hon Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Hickmet, Richard
Hicks, Robert
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr th'm)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Stratf d-on-A)*
Howarth, Gerald *(Cannock)*
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(N Norfolk)*
Hubbard-Miles, Peter
Hunt, David *(Wirral)*
Hunt, John *(Ravensbourne)*
Irving, Charles
Jackson, Robert
Jenkin, Rt Hon Patrick
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Kershaw, Sir Anthony
Key, Robert
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knowles, Michael
Knox, David
Lamont, Norman
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Luce, Richard
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McNair-Wilson, P. *(New F'st)*
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Merchant, Piers
Meyer, Sir Anthony
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Moate, Roger

Molyneaux, Rt Hon James
Montgomery, Sir Fergus
Morrison, Hon C. *(Devizes)*
Moynihan, Hon C
Murphy, Christopher
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Norris, Steven
Oppenheim, Phillip
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parris, Matthew
Patten, J. *(Oxf W & Abdgn)*
Pawsey, James
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, Rt Hon J. E. *(S Down)*
Powell, William *(Corby)*
Prentice, Rt Hon Reg
Price, Sir David
Proctor, K. Harvey
Pym, Rt Hon Francis
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridsdale, Sir Julian
Roberts, Wyn *(Conwy)*
Rost, Peter
Rowe, Andrew
Sainsbury, Hon Timothy
St. John-Stevas, Rt Hon N.
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shepherd, Colin *(Hereford)*
Silvester, Fred
Skeet, T. H. H.
Smith, Sir Dudley (Warwick)
Smyth, Rev W. M. *(Belfast S)*
Speed, Keith
Speller, Tony
Spicer, Michael *(S Worcs)*
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stokes, John
Stradling Thomas, J.
Taylor, Rt Hon John David
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Townsend, Cyril D. *(B'heath)*
Trippier, David
Twinn, Dr Ian
Vaughan, Sir Gerard
Wakeham, Rt Hon John
Walden, George
Walker, Bill *(T'side N)*
Walker, Rt Hon P. *(W'cester)*
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watson, John
Watts, John
Wheeler, John
Winterton, Nicholas
Wood, Timothy
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Ian Lang and
Mr. Archie Hamilton.

NOES

Abse, Leo
Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Ashton, Joe
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barron, Kevin
Beckett, Mrs Margaret
Bell, Stuart
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Brown, Gordon *(D'f'rmline E)*
Brown, Hugh D. *(Provan)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Caborn, Richard
Campbell, Ian
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Concannon, Rt Hon J. D.
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Cunningham, Dr John
Dalyell, Tam
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dormand, Jack
Douglas, Dick
Duffy, A. E. P.
Eadie, Alex
Eastham, Ken
Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Field, Frank (Birkenhead)
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Golding, John
Gould, Bryan
Gourlay, Harry
Hamilton, James *(M'well N)*
Hancock, Mr. Michael
Hardy, Peter
Harman, Ms Harriet
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Hattersley, Rt Hon Roy
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howell, Rt Hon D. *(S'heath)*
Howells, Geraint
Hoyle, Douglas
Hughes, Dr. Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Janner, Hon Greville
John, Brynmor
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kilroy-Silk, Robert
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
McCartney, Hugh
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
McKelvey, William
MacKenzie, Rt Hon Gregor
McTaggart, Robert
McWilliam, John
Madden, Max
Martin, Michael
Mason, Rt Hon Roy
Maynard, Miss Joan
Meacher, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Pike, Peter
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Robinson, G. *(Coventry NW)*
Rooker, J. W.
Rowlands, Ted
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R. *(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, Rt Hon J. *(M'kl'ds E)*
Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Stewart, Rt Hon D. *(W Isles)*
Straw, Jack
Thomas, Dr R. *(Carmarthen)*
Thorne, Stan *(Preston)*
Tinn, James
Wainwright, R.
Welsh, Michael
White, James
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Woodall, Alec
Young, David *(Bolton SE)*

Tellers for the Noes:
Mr. Frank Haynes and
Mr. John Maxton.

Question accordingly agreed to.

Mr. Speaker *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House supports the Government's sound financial policies to reduce and contain inflation, to provide the basis for a fifth successive year of economic growth and to secure a sustained rise in living standards.

Frozen Foodstuffs

10.23 pm

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mrs. Peggy Fenner): I beg to move,

"That this House takes note of European Community Document No. 9402 84 on the approximation of laws relating to quick frozen foodstuffs for human consumption; and supports the Government's intention to oppose Community measures in this field, unless they can be modified to meet United Kingdom interests."

The Ministry's explanatory memorandum which is before the House sets out the background for this evening's debate concerning a proposal by the Commission for a Council directive relating to quick frozen foodstuffs for human consumption. The directive is an attempt by the Commission to harmonise member states' laws on frozen foodstuffs which they consider constitute a barrier to intra-Community trade. Let me, however, fill in some details about what the Commission is proposing and why.

The Commission has had plans to introduce proposals for harmonisation on quick frozen food for the past 10 years. The first working group meetings began in Brussels in 1975. The United Kingdom made it clear from the start that it did not favour a directive in this area and was certainly opposed to one applying to the local distribution and retail end of the frozen food chain as these were essentially domestic issues which did not affect intra-Community trade. Since that time, the Commission has produced various drafts for discussion at working group level, and each time the United Kingdom has argued strongly that there has been no need for such a directive.

Despite those criticisms, in September 1984 the Commission finally put formal proposals to the Council. Under this directive, all frozen food, with the exception of ice cream, that had undergone a defined freezing process would have to be kept at minus 18 deg C or colder up to the point of retail. Certain upward fluctuations in temperature would, however, be permitted during storage, local distribution and in retail display cabinets. Member states would be required to conduct random checks on the equipment used for quick freezing and on the temperatures of quick frozen products.

The Commission introduced these proposals because it claims that legislation covering all links in the cold chain guarantees the consumer a high quality finished product regardless of country of origin, and by means of appropriate labelling enables the consumer to distinguish a quick frozen product from refrigerated or other frozen products. It provides figures to show how the consumption of frozen food has grown rapidly over the last few years and which, incidentally, put the United Kingdom at the top of the league, but makes the point that intra-Community trade remains low. Why is that? The Commission claims that, according to the frozen food industry itself, the lack of trade between member states stems from the absence of common rules. To back that up, the Commission quotes examples of national laws made by France and Italy tending to put up technical barriers to trade. It does not believe that the UN-ECE agreement on the international carriage of perishable foodstuffs concluded in Geneva in 1970 solves these trade problems.

Thus, the Commission says that a directive is necessary to protect consumers by guaranteeing product quality. It does, however, recognise that at present some equipment used for local distribution or retail sales of frozen food is not able to run at the temperatures proposed in the directive and that there should therefore be a transitional period of 10 years to allow for normal depreciation of existing equipment.

The House may ask, therefore, why the United Kingdom, alone among member states, has remained unconvinced by the Commission's arguments that a horizontal directive is required in that area. We do not consider that the Commission has adequately demonstrated that there are real intra-Community trading problems that would be overcome by a frozen food directive. The mere fact that there is a growing market for frozen food products is not in our view a reason in itself to introduce harmonisation measures. The commission cites the example of national laws introduced by France and Italy as proof that there are technical barriers to trade. Certainly in the case of France, whatever the theoretical position, we have had no real evidence that a French decree that has been in existence since 1964 has hindered British exports of frozen food. As to the Italian case, I can only say that if there have been difficulties that were peculiar to the frozen food sector arising from an Italian decree, our own exporters have not so far brought them to our notice.

However, our chief reservation on the Commission's proposals arises from the fact that the directive would extend right through to local distribution and retail. We feel very strongly that these areas are a national matter, since any shortcomings would have little or no effect on the intra-Community trading position. It is not surprising, therefore, that retailers and wholesalers are the strongest opponents in the United Kingdom of a directive.

Our retailers argue that there is no evidence that legislation is required on health grounds. They consider that it is inappropriate to introduce measures relating to the quality of frozen food, since quality is determined by a range of factors concerning the handling of the product which cannot satisfactorily be subject to legislation. They are concerned that the temperatures proposed could not be maintained during summer without additional air conditioning and they fear that the energy implications particularly for the small business man could be enormous, not to mention the capital costs involved in re-equipping with new freezer cabinets. These higher costs, they say, could well mean the abandonment by many retailers, especially the smaller ones, of quick frozen foods. In addition, they are proposing to introduce their own voluntary guidelines to regulate retail handling of frozen food.

The wholesalers have expressed the same fears that the higher costs involved could hit the small businessman hard and in the long term could lead to a less competitive, more expensive market for frozen food. The manufacturers of frozen food have close contacts with other European manufacturers and have not been opposed to the principle of a directive, although they have not argued either that this proposed directive will lead to the removal of trade barriers.

Mr. Austin Mitchell (Great Grimsby): What the hon. Lady is saying about the retailers prompts two questions. If we are alone, is it not our intention to use the veto to stop this from coming into force? If we do not intend to do that but rather, as the motion indicates, to seek

modification of the measures to meet United Kingdom interests, does that mean that the prime modification that this country wants is the omission of the retailers? That would be to get the worst of all worlds. It would create a ludicrous position with a chain that ended before the retailer.

Mrs. Fenner: No. I hope I can develop the argument and reassure the hon. Gentleman. I am talking basically about the wholesale and retail distributors and the manufacturers, but the view of our consumer organisations is balanced. Consumers see advantages in consistent rules affecting the whole of the frozen food chain, but any reduction in the number of outlets selling frozen food would be a disadvantage for the consumer.

So much for the position within the United Kingdom. We know from discussions in the past in Brussels that our doubts about the need for a directive are not shared by other member states. France and Belgium see the proposal as a means of overcoming any problems that might arise particularly on the Italian frontier. Germany and the Netherlands also support the measures and the other member states have raised no objections to them. The Economic and Social Committee has given its backing, and the European Parliament is soon likely to. The formal proposals thus have now gained a new momentum. Despite the Government's own strong reservations about the need for this directive, and the opposition — or at least lack of enthusiasm — among our own trade and consumer interests, the Government recognise that serious consideration must be given to the views of other Community members. It may therefore be worth exploring whether amendments could be made to the proposals which would lead to rules which were not onerous and would enable us to move from our present position of outright opposition.

Mr. Tony Marlow (Northampton, North): If I remember rightly—I think I do—the Government were elected on the basis of various promises. One promise was that we would introduce the minimum possible legislation. My hon. Friend has said that she is opposed to this measure but that, if it is modified slightly so that she is not then so opposed to it, she might see her way to agreeing to it. That would mean introducing unnecessary legislation in breach of the promise that we gave to the British people. Surely she can be a little stronger than that.

Mrs. Fenner: We also, in a referendum, reaffirmed our partnership in Europe.

Mr. John Home Robertson (East Lothian): But not to this.

Mrs. Fenner: No, there are indeed occasions when we battle our corner. We are alone in this but believe that there could be amendments which would enable us to move from our outright opposition. We could not do that unless our major anxieties are dealt with adequately in some revision of the present proposals.

When the first working groups meet in Brussels to discuss the proposals, we shall have a much clearer idea of the possibilities of getting changes to the present draft. However, there have been signs during past negotiations that encourage us to believe that the Commission is not so firmly committed to the present draft that it would try to resist well argued changes in certain provisions. We should prefer the omission of the retail and local distribution provisions. However, if they can be modified so that retailers and local distributors have a permanent right to keep quick frozen food at a slightly higher temperature than required under the directive for the rest of the cold chain, we should have gone a long way to overcome our most serious criticism of the proposals.

Mr. Douglas Hogg (Grantham): What is the objection to the temperature of minus 18 deg C?

Mrs. Fenner: We do not believe that it is necessary for health reasons or for the protection of the food. Minus 18 deg C is 0 deg F, and might have been chosen for that reason.

Mr. Hogg: I appreciate that. Is my hon. Friend saying that most retailers do not have the equipment to achieve that temperature? Does it impose additional costs?

Mrs. Fenner: I am so sorry that my hon. Friend did not hear me. I said at the beginning that the temperature will incur capital costs in the form of different freezer cabinets. That is why achieving a slight modificaton so that the temperature can be a little higher than minus 18 deg C would overcome the most serious criticisms.

There are other changes that we would also like at a more technical level. For example, we will be looking carefully at the scope of the directive to see whether certain foodstuffs and ice cream should be omitted because other rules apply to them. The provision laying down the point at which the temperature of a quick frozen product is to be measured must also be considered carefully. Similarly, the enforcement provisions must be weighed up to see whether they need changing.

Since the United Kingdom is the largest producer and consumer of frozen food products in the Community, our views on the practicalities of particular provisions ought to carry great weight, and we will not lift our general reserve on the proposals until our essential aims have been achieved.

To sum up, therefore, we do not consider that the Commission has made a convincing case for the need to introduce legislation on frozen food, but we are prepared to give it further consideration provided that essential amendments can be agreed, particularly to protect our retail and local distribution interests.

10.40 pm

Mr. John Home Robertson (East Lothian): The Minister's attitude to this matter seemed to be less than convincing at some stages during her speech. We have learned to expect something called "the resolute approach" from this Government, but I am not sure that that is what we have been hearing about from the Minister.

The common agricultural policy is in a state of collapse. The European Council has refused to deal with the crucial problems of cereal surpluses. The Commission does not know what to do about all these problems. But when we have the maximum disharmony on matters of importance we can always rely on the European Commission to produce a draft directive for the harmonisation of details. The show must go on, and here we are with a draft directive which would stipulate that the temperature of the centre point of each and every frozen pea in Europe must remain below minus 18 deg-C subject, of course, to permissible fluctuations of 6 deg-C.

European harmonisation proposals generally start from a serious point and then reduce to the absurd, and this one

[Mr. John Home Robertson]

is no exception. This proposal for harmony in the refrigerators of Europe is intended to promote trade and to protect consumers. It will also, I suppose, promote the employment of an amazing new breed of cold store inspectors with special thermometers for taking the temperature at the centre of blocks of ice.

It seems to me that this directive is most unlikely to promote trade and will do precious little for the protection of consumers. It gets off to a bad start because it is badly drafted. The Minister has already referred to that point.

Mr. Hugh Dykes (Harrow, East): Is the hon. Gentleman not aware that the Consumers Association is enthusiastically in favour of the proposal?

Mr. Home Robertson: If the hon. Member can contain himself for a minute or two, I will come to that. He and I have for a long time been equally enthusiastic about the principle of European unity on various issues, so I hope we shall not break that unity on this issue.

There is one very fundamental drafting point which I think we ought to clear up. Why does this directive deal only with quick-frozen foods? If it is desirable to impose common standards for frozen foods, why not apply them to all sorts of frozen foods—deep-frozen, quick-frozen, the whole lot? I know that a number of other detailed points about drafting have been made to the Government by interested organisations and I assume that they will be properly considered by the Government and by the Commission. Perhaps the Minister will say a bit more about that in due course.

In the interests of consumers, clearly the most important consideration must be food hygiene and the risk of food poisoning. The Minister for Health told me in a written reply yesterday that there has not been a single case of food poisoning caused by quick-frozen food in Britain during any of the last five years. So there seems to be very little evidence of need for change on that account. But on the more general point of the quality of food products, I see that the Consumers Association—this is the point to which the hon. Member for Harrow, East (Mr. Dykes) referred—has welcomed the objective of ensuring what it refers to as

"a consistent temperature chain for the distribution of frozen foods based on sound practice".

The Consumers Association has identified a problem in retail outlets. It says that some retail frozen food cabinets are not up to the appropriate British standard. That raises two important points. The first is, as I understand it, that where there is any risk to public health from an inefficient or overloaded retail freezer cabinet local authority environmental health officers should have ample power to deal with the problem already. It would be helpful if the Minister could confirm that point.

The second point is that, where a retail cabinet may be cold enough to prevent health risk but not cold enough to maintain the texture or the taste of the product, I have no doubt that both the consumers themselves and the manufacturers of the products will take appropriate steps to ensure that the retailer puts his shop in order. Once again, as I understand it, local authority trading standards officers would have the power to deal with such cases. Perhaps the Minister could confirm that point also.

Mr. Austin Mitchell: Would my hon. Friend agree that a third point arises from the Consumers Association's evidence on this matter, because it gives the impression that several retail food cabinets maintain temperatures above minus 20 deg C? If that is so, and if the Government are seeking to get the retailers out of the coverage of this piece of legislation, we are protecting piggy conditions in retailing by imposing severe restraints on the manufacturers, who will be harmed by those restraints.

Mr. Home Robertson: If there is a problem in a corner shop in Grimsby, that would be most appropriately dealt with by local authority trading standards officers or environmental health officers. I cannot understand what European directives have to do with an issue such as that. I understand that powers already exist, and I would be obliged if the Minister could confirm that they do.

Mr. Marlow: Will the hon. Gentleman give way?

Mr. Home Robertson: No. I want to get on.

It is essential that the interests of consumers be protected. The Government must ensure that local authorities have the resources needed to exercise their duty to supervise the hygiene and quality of frozen food in British shops. There is legitimate concern on this count, especially in view of the cuts in local authority finances in recent years, and the Government must be clear about their duty as well as the duty of local authorities.

The Minister spoke of the cost to consumers of keeping food colder then necessary. She also mentioned the extra cost of new bureaucratic controls. I suppose that those problems could be overcome by phasing the introduction of any new standards and by adopting more sensible enforcement measures. But if there is any doubt about the correct maximum temperature to protect the interests of consumers, we would want the Government to err on the safe side—the cold side.

Enforcement is likely to be of exclusively British interest, if experience in other areas of Community rules is anything to go by. I have tried to solve the puzzle of how one establishes the temperature at the centre of a frozen haggis or indeed, a frozen pea. Just how does one locate the epicentre of a fish finger? Even if one has established all those things, how does one do them without horribly mutilating the product with a drill? Even if one gets to the core of the frozen haggis and discovers that it is only minus 12 deg C, instead of minus 18 deg C, who is to say that that temperature rise is not a permitted fluctuation of

"6°C during local distribution and in retail display cabinets"

under article 5.2 of the draft?

Apart from all that, I foresee some fine arguments about whether a cash and carry store is a local distribution centre. That brings me back to the method of measuring the temperature of products in store. I have done some homework on this, and read an intriguing suggestion by the Royal Environmental Health Institute of Scotland that we should consider the introduction of a temperature control technique that is in use in parts of the United States.

This apparently involves placing a small thermometer capsule in each consignment in each cold store. I understand from the institute that this capsule comprises a small red ball of frozen liquid surrounded by frozen clear water. When there is a significant temperature rise, the frozen water and the red ball melt and mix. The capsule is sealed and the process cannot be reversed, and any consignment or container found with this defect in the

capsule is presumed to have thawed and it can therefore no longer be considered to meet the temperature control requirements for frozen food.

That is one intriguing possibility, but it would be even simpler to improve the standards for refrigeration equipment in distribution stores, lorries and retail premises as well as in domestic freezers, as has been suggested by the United Kingdom Association of Frozen Food Producers, among others. That would be simpler than any of the other things we have talked about to ensure proper refrigeration standards all the way down the chain.

This exercise is supposed to promote trade in frozen foods. We know that the United Kingdom agriculture, fishing and food industries can produce food products that are second to none. British and especially Scottish meat, fish, vegetables and soft fruit are of the highest quality. We have a highly developed processing, freezing and distribution industry and we now consume 16·6 kg of frozen food per head per year—67 per cent. more than the average for other EEC countries.

With that combination of high quality raw materials and a highly developed freezing and marketing industry we ought to be able to take full advantage of the export potential of markets such as Italy, France and Germany, but it seems that that is not happening. According to a written answer from the Department of Trade and Industry which I received on Monday, both the value and the volume of our frozen food exports to other EEC countries are falling, while the value and volume of our imports from those countries are rising steadily.

Since 1980, frozen fish exports have fallen from 24,000 tonnes to 22,000 tonnes, frozen fruit exports have fallen from 7,000 tonnes to 3,000 tonnes and frozen vegetable exports have fallen from 33,000 tonnes to 24,000 tonnes. Meanwhile, imports of frozen fish have risen from 30,000 tonnes to 42,000 tonnes, frozen fruit imports have doubled from 3,000 tonnes to 6,000 tonnes and frozen vegetable imports have increased from 40,000 tonnes to a massive 137,000 tonnes. We should therefore be taking steps to achieve some import substitution and export promotion in the area.

I have discussed the draft directive with people from Birds Eye, Christian Salvesen and the excellent Scotfresh company which markets frozen vegetables not just from my constituency but from my own farm, so perhaps I should have declared an interest at the outset. None of those firms has complained about restrictive regulations affecting exports which could be relevent to these proposals. Nevertheless, there is clearly a serious problem in our trade balance with our European Community partners, presumably due to the fluctuating value of the pound. I shall be interested to hear the Minister's comments on that.

The Government should be taking urgent steps to promote exports of British frozen food, but the Minister will be relieved to hear that the Opposition are inclined to agree with her that the directive as it stands is ill considered and could harm the United Kingdom food industry without achieving anything worthwhile for the consumer. We therefore agree with the general position that the Government have adopted on this.

The message from this House to the European Commission and to the Council of Ministers should be that they are unlikely to achieve much harmonisation or harmony even in the rarefied atmosphere of cold stores until they get to grips with some of the more fundamental problems of the common agricultural policy.

10.53 pm

Mr. John Watts (Slough): I support the robust opposition of my hon. Friend the Minister to the proposed directive. She has explained clearly that it is unnecessary and potentially damaging to our frozen food industry. My concern, however, is that it would reduce our ability to protect British consumers.

Despite the pious protestations of the explanatory memorandum to the directive that the consumer

"should be able to benefit from the products that suit him best regardless of their country of origin"

and

"would be offered a range of products of faultless quality,"

I am not optimistic that it will achieve that happy outcome.

I am especially interested in paragraph 7 of the explanatory memorandum, which makes a critical reference to an Italian ministerial decree of 15 June 1971. Apparently the decree stipulates that quick frozen food produced abroad may not be imported into Italy unless it comes from establishments which are recognised as satisfactory by the Italian health authorities.

If we had an equivalent control in our law, one of my constituents might have been spared a most disturbing experience recently. Her purchase of ratatouille, which had been imported from Spain, proved not to be of the faultless quality to which the enthusiasts of the directive have referred. Indeed, it proved not to be wholly vegetable, as there was animal as well. To her horror, she found the tasty morsel on the end of her fork was mouse, not aubergine. She complained to the local environmental health department but found that as the product came from abroad there was no action which could be taken against the producer. The producer in Spain was outside the scope of English law. I have been unable to detect any powers to exclude from our markets products such as the rodentatouille, if I may so describe it, that was purchased by my constituent.

If the Government's approach is to seek to improve the directive, one essential modification to ensure that it meets the interests of British consumers is the provision of powers to prosecute any producer who supplies unsatisfactory goods. We should have the power also to ban further imports from that source of supply.

As I hope that the implementation of the directive in English law is far off, both because of my fears of what it would do for the protection of our consumers and for the cogent reasons advanced by my hon. Friend the Parliamentary Secretary, I ask my hon. Friend to review the current regulations on imported frozen foods and to consider whether we need any further powers to protect the interests of consumers, such as my unfortunate constituent.

10.57 pm

Mr. Austin Mitchell (Great Grimsby): Grimsby has the greatest concentration of the frozen food industry within the United Kingdom, so the directive is of particular importance to my constituency, where the fish of the North sea and the north Atlantic meet the vegetables of the rich Lincolnshire farmlands in the factories of Birds Eye, Findus, Icelandic, Chaldur, Ross, Wold Farm and others. Grimsby is Britain's premier freezing and food

[Mr. Austin Mitchell]

processing town and, therefore, the directive is an important measure for it as it is for the United Kingdom generally.

Britain leads the world in the freezing industry. It was the first country to develop it on any scale and Britain has the most highly developed industry in the EEC, the highest consumption of frozen food per capita and the highest ownership of home freezers in the EEC. As we have the most highly developed industry, we have the most to lose from inadequate regulations or regulations which will impose harm on the industry. Britain's industry should have been more adequately consulted and its practice should have been taken more closely into account in the development of the proposals. A 10-year gestation period is an enormously long one and that is a measure of the failure to take British practices into account.

The proposed regulations are remote from the practical side of the industry and that is the source of the main accusations against them. They amount to harmonisation pretty well for the sake of it. That is something with which we want to have no truck.

It is understandable that the reaction has been adverse. It could be said that the reaction of the industry to the proposals has been a chilled one or that it has been praising the measure with faint damns. The United Kingdom Association of Frozen Food Producers says:

"unlikely to serve any useful purpose for the UK industry or for UK consumers."

The Wholesale Distribution Federation says:

"The proposals would lead in the long term to a less competitive, more expensive and much smaller market for frozen food and one of the first victims would be the small business man."

The National Cold Storage Federation is unhappy about the proposals'

"atmosphere and the feel of what they say."

The British Poultry Federation gives the proposals the bird and says that they are

"unnecessary so far as the poultry industry is concerned."

The detailed representation deals several body blows to the draft legislation. The frozen food producers emphasises that the proposal for date marks is misguided. The crucial factor is not the date, but the temperature. It does not matter how long a product has been kept, but whether it has been kept at the right temperature. It would be more sensible to mark the date of sale. If a product is stored at home under less than perfect conditions deterioration will begin when it is sold. Date marking relating to production is not the solution.

As my hon. Friend the Member for East Lothian (Mr. Home Robertson) asked in his humorous analysis, how will the temperature at the centre be found? Will it have to be smashed, bored, drilled? Will Euro-inspectors armed with braces and bits have to travel around testing centre temperatures? The provision is ludicrous. The peripheries are as important as the centre when one eats.

Article 13(2) is incorrect because the intention is to give retailers a sensible period in which to bring their cabinets up to standard. However, the tolerances in article 5, which should apply up to 1 January 1995, will not be available until after that date. After then goods must be maintained at minus 18 deg C for the transitional 10 years. That seems to stand the draft provisions on its head.

The Consumers Association say that tests reveal that the temperature in some retail cabinets is above minus 10 deg C, because they are too old, incapable or overloaded. That is not good enough.

The standing group on food freezers recommended in 1976 that the trade should be allowed to deal with the problem voluntarily. But it has not been dealt with. We must face the need for reform at the retail end of the trade. It would be wrong to protect that section from its own inadequacies at the expense of imposing burdens on the rest of the trade.

Why cannot we provide that cabinets be closed, as several EEC countries do? If temperatures rise to unsafe levels, particularly in the top layers, it would be sensible to ensure that the cabinets are kept closed.

The trade says that it is better to have regulations based on International Standardisation Organisation standards for refrigeration. That is a more sensible way to impose control because it does not necessitate inspectors shoving bits and thermometers into fish fingers.

Mr. Peter Thurnham (Bolton, North-East): Is the hon. Gentleman aware that a British standard covers refrigeration equipment and that a code of good practice takes care of any inadequacies?

Mr. Mitchell: Of course I am aware of that, but we are talking about machinery which might have to operate in Spain or Greece as well as in Britain. Therefore, the ISO standards are probably the more relevant standards to which to refer on a European-side basis. They relate to the class of countries in which that equipment can operate.

The trade has put another point, not in evidence but in informal representations and discussions. The trade knows that, if the regulations are accepted on a European-wide basis, they will be enforced rigorously in Britain, because this is a law-abiding country, but will not be enforced with the same vigour and concern in other EEC countries. The burden that we are imposing on the most advanced industry is greater than the burden imposed on its competitors.

What should we say in answer to these proposals? As one who has never been known to be a Euro-enthusiast, my answer is that we want to have nothing to do with it. Always be suspicious of Europeans bearing regulations. The firms in my constituency to which I have talked are not keen on these regulations. They see no advantage to be gained from them. My hon. Friend the Member for East Lothian made an important point when he chronicled the decline in our exports of frozen goods and the increase in imports. We imported £34 million of fish in 1980 and £53 million of fish in 1984 while our exports have decreased. Imports of vegetables increased from £14 million in 1980 to £62 million in 1984. This especially affects a firm such as Wold Farm, which is a large exporter of frozen vegetables. This decline in exports is due mainly to the overvaluation of sterling compared with other European currencies.

We must ask whether the regulations will mean trade advantages. This brings me to the crucial point of the debate. I am suspicious — perhaps unfairly — of the Government's motion. The real question is: are we isolated? The Parliamentary Secretary appeared to say that we are on our own in opposing the regulations. Some trade associations have accepted them. Our key trade association does not think that great advantages will be gained from accepting the regulations.

If we are on our own in opposing the regulations, will we impose a veto? Do we have the nerve to say, "We are on our own"? The Parliamentary Secretary did not answer that crucial question. What will we do about the regulations? The motion states:

"unless they can be modified to meet United Kingdom interests."

I understand from that statement that we will not impose a veto but that we will try to modify the regulations in favour of United Kingdom interests. If those interests are the ones that I have mentioned, OK, but it would be wrong to modify the regulations to defend inadequate sales by retailers and wholesalers. It would mean getting the worst of all worlds. We shall be imposing an inspection regime with increased costs and difficulties on the manufacturers and those involved in the cold stores and the distribution system — the competitive part of our industry which needs to compete overseas — but not imposing it on retailers. We shall gain nothing. It is a case of all or nothing, because the food chain is a continuous process in which food must be maintained at a certain temperature until it gets to the home freezer and the table. Retailers are the weakest link in that chain. There is no point in regulating these other aspects unless they are properly integrated into the food chain. A chain with a weak link breaks, and that is what we shall be creating if we justify the opting out of retailers.

I should be happier, therefore, if the motion did not contain that provision. If the Government are saying that we should accept it but not have it applied, say, to wholesalers and certainly to retailers, that would be wrong. We should reject it — we should defend the industry by vetoing it—but, if we are forced to accept it, we should accept it all, modified only to make sense of it and applied to the technical points that the industry has raised, not to excuse inefficient retailing.

11.11 pm

Mr. Peter Thurnham (Bolton, North-East): The hon. Member for Great Grimsby (Mr. Mitchell) said that he was suspicious of the Government's motives. I am suspicious of the motives of the people in Brussels.

Indeed, I am disappointed that the directive has reached this point. I thought we had knocked it on the head a long time ago. It is nearly two years since I wrote to the Minister — I also wrote to the Secretary of State for Energy and the Minister of Agriculture, Fisheries and Food—about the problems inherent in the directive. The replies that I recieved then suggested that we were so opposed to it that we would hear no more about it.

I am disappointed, therefore, that it has reached this stage and that the European Parliament is thinking of proceeding with it. I wonder what is going on in Brussels and what our people are doing there. If we must belong to this club, why not shift its headquarters to this country so that we can run it properly.

I should declare an interest, because I run a refrigeration engineering business. But all hon. Members have an interest, because the British people consume an enormous amount of frozen food. This is a sphere about which we have considerable knowledge.

The directive is so wrong that we can find little in it with which to agree. I support the Government in saying that we want to amend it so that we can use it, and the two issues that we must face are the need to reduce burdens on business generally and to remove Common Market barriers.

The hon. Member for Great Grimsby misses the point when he says that the directive should aim at the retail industry. Nobody will pop over from Brussels or anywhere else to Grimsby to buy a packet of peas. We must make trade in the wholesale product and in refrigeration equipment easier so that we can export freely and have a good market. We should not impose burdens on the retailer when, frankly, they are not necessary.

I know from my experience of the industry that we have not had many health and hygiene difficulties. My problems are related mainly to trying to make a profit. Any problems that might present themselves are more likely to be related to noise, for example. I should be interested to hear whether any hon. Members have had brought to their attention problems relating to refrigeration. The only one that has been brought to my attention related to noise.

It is estimated that, if the directive is applied, the energy consumption of equipment in Britain will double, the noise factor will double and the extra investment in equipment will be £500 million—but to what effect? It has been pointed out that there has not been a serious case of food poisoning reported in the last five years.

The number of people who would be affected by the proposed legislation is great. There are said to be 34,000 independent retailers in Britain selling frozen food. They can already look to British standard 3053 and to the proposed code of practice, which the retail consortium has put forward, entitled,

"Guidelines for the handling of frozen foods at retail levels."

I should have thought that they were satisfactory. They comply with long-established practice in this country, where, I remind the hon. Member for Great Grimsby, the climate is not the same as in Italy. It is ridiculous to impose on retailers here the same conditions for retail equipment as would be needed in countries with much higher ambient temperatures.

All the comments from the industry are that this legislation is not necessary. Why cannot the people who represent us in Europe get the point across? To improve trade, we should be removing the barriers and looking for legislation that finds common factors between member states and builds on them, rather than aiming at something that is way beyond what the country with the greatest experience in the industry is doing.

We should seek to amend the legislation to include practices that are agreed here and that can be used as the basis for common points throughout the Community. We could then apply that as a directive, so that we do not have any immediate changes imposed here, and build from there. If it is then felt necessary to move towards the stipulation of minus 18 deg C, whether it is applied at air temperature or at the core, it can be done at a rate on which everybody agrees, without imposing burdens on business. Not only in this country, but in the Community as a whole, there are many unemployed people, and I am sure that they are not unemployed because of a lack of directives along these lines.

11.16 pm

Mr. Charles Kennedy (Ross, Cromarty and Skye): I share the apprehension that the hon. Member for Bolton, North-East (Mr. Thurnham) and every other hon. Member have expressed. However, I do not know how far down the line I would go in support of the hon. Gentleman's thesis, which seemed to be in favour of something that I would support—a truer Common Market—while saying that

[Mr. Charles Kennedy]

there is not a place for some moves towards harmonisation. Although we are not very happy with this directive, we cannot have our cake and eat it—even a frozen one. That is one of the difficulties that we face.

I agree with the hon. Member for Great Grimsby (Mr. Mitchell) about the difficulties with the sea fishing related industries. He will appreciate that my constituency has similar interests, although they are not as concentrated as in his constituency. I can envisage a similar lack of enthusiasm for the directive in my constituency.

However, I should be interested to learn about the attitude of Lord Cockfield towards the directive. He has made his name in a more robust and dramatic way than the Prime Minister may have anticipated when she first sent him to Brussels, through his fairly aggresive—and often laudatory — attitude towards the breaking down of barriers within the Common Market. How is the Conservative appointee viewing this development?

The policing that would be involved in carrying out the directive could lay considerable burdens on the British taxpayer, and doubtless on the industry and the retailing outlets. The hon. Member for East Lothian (Mr. Home Robertson) spoke of the written answer giving facts about the absence of food poisoning as a result of frozen food over the past five years. That shows clearly that our policing, and the standards that we are enforcing, must be pretty good.

Although we would be interested to learn a little more about the Government's intentions, as one who generally supports the move towards majority voting in Europe—I accept that that might not command much support among certain hon. Members—I would not expect the Minister to say this far in advance whether the Government intend to cast a veto on the directive. That would not be good politics now, and would hardly encourage the granting of concessions, which the Government will look for in due course.

We wish the Government well in trying to make more sense of the proposal from Europe. We share the anxieties which have been expressed from both the political and the constituency points of view. With that in mind, we hope that, during the remainder of this year and next year, steps will be taken to the satisfaction of Britain and in harmony with our partners in Europe.

11.20 pm

Mr. Hugh Dykes (Harrow, East): I agree with the hon. Member for Ross, Cromarty and Skye (Mr. Kennedy) that the veto is abhorrent, especially in a case such as this, I was glad to see my hon. Friend the Minister shake her head in disapproval of it and to hear her say that that would be too much. In addition to the fundamental rejection of the veto, there is the lack of enthusiasm about revealing the negotiating position. It is good that the United Kingdom Government are becoming more enthusiastic about the idea of banishing veto-itus. Indeed, last week the Government would surely have been tempted to denounce the Germans for an utterly selfish stance on the refusal to consider the reduction in cereal prices and for applying a national veto to a relatively minor matter, caused only by a schism in the two main German ruling parties.

On this issue one sees the virtues of the way in which Community legislation is originally proposed by the Commission, processed through the Council of Ministers, consulted about with the European Parliament, and then passed through a civilised process of consultation and general agreement. That should be the basis on which qualified majority voting takes place, if a vote is necessary. That virtue of the Community is often beyond the comprehension of Members of Parliament. With conflict politics, with which we are all so drenched, we cannot understand having a process of consultation and a gradual elaboration of sensible legislation between various institutions and the countervailing forces that they represent. How awful! How immoral! Surely we must have the gladiatorial clash, a tremendous vote and schism, and the other party saying that it will repeal the legislation when it is in power. Otherwise it is not the macho behaviour to which we as legislators in the British Parliament are used. The Community has shown us another way in which to produce legislation, similar to the habit and custom of other member states, such as Germany and Italy. We must get used to the process, even the hon. Member for Great Grimsby (Mr. Mitchell), because we have been a member of the Community since 1973.

The Minister has got the matter about right by saying that there are considerable misgivings about the details, including the temperature stipulation, but that we shall have further discussions and elaborate it finally into a rather good directive, which will be good for United Kingdom industry. It was interesting and amusing to see all the contradictions in various speeches. The advice of the hon. Member for Great Grimsby became so tortuous and complicated, one was almost unable to follow it. He advised not to apply the veto——

Mr. Austin Mitchell: Will the hon. Gentleman give way?

Mr. Dykes: I will not because of lack of time and because the hon. Gentleman made a much longer speech.

Mr. Mitchell: I wish to make my advice clear to the hon. Gentleman.

Mr. Dykes: I am sorry not to give way, but I have been asked to speak briefly, which is why I am rushing my words now. I think I know what the hon. Gentleman meant. However, he reflected to some extent the contradictions that people feel.

The directive is imperfect now but is potentially extremely good. It would help United Kingdom domestic industry, which is the most powerful among member states. It should be exporting much more. Why does it not? The directive will eventually help the industry to do so. A directive on a technical matter, such as this, always looks rudimentary and primitive when it starts, but 10 years after it has been passed it will be the basis of a great expansion of trade in a particular product or series of products. The directive is good incipiently and will be better if the Government make robust efforts to ensure that the negotiations lead to a constructive conclusion.

11.25 pm

Dr. Ian Twinn (Edmonton): I am pleased to note the all-party opposition to the directive. It is a worry to hon. Members on both sides of the House who still have some remnants of a European ideal to see directives rolling from the Commission that can bring no benefit to Europe, and certainly not to this country. We are, for the most part, dealing with a trade that is within this country and not intra-Community trade. There may be some need for

harmonisation in dealing with intra-Community trade, but not for the bulk of the trade which is within the United Kingdom.

I cannot share the hope of my hon. Friend the Member for Harrow, East (Mr. Dykes) that consensus will produce sensible results. This directive has been rolling around the Commission for 10 years—it has produced rubbish even after 10 years. I do not know how much longer we need to produce a sensible directive; I suspect that we will not achieve one.

There are no benefits to this country, certainly not in trade, and it is doubtful whether there will be any for consumers. There is no evidence of a health hazard, and few problems result from that industry. The United Kingdom experience is good. Our standards are higher than the United States, which is the largest consumer of frozen foods—and we have a reasonably healthy trade there—and we hve the highest standards in Europe. Our voluntary code for the large manufacturers and distributors is approaching the standards in the directive. Therefore, we are approaching the standards in the directive by voluntary means.

The Commission wants us to produce some system of inspectors wandering around the countryside — as we have humorously heard — boring holes in frozen fish fingers to find out their core temperature. That is an amusing thought, but it is technically known as destructive sampling, which is precisely what will happen. It will produce additional costs for retailers, manufacturers and the consumers. The price of a fish finger will rise if the directive goes through. It may not rise by very much, but it will certainly add to the cost of living. We should not contribute towards that.

There is also the cost to the taxpayer. We have an efficient system of trading standards — something of which we can be proud. However, that creates problems when we start talking to our European partners. We will comply with the directive if it is passed; we will be frighteningly efficient in our compliance with it. We will have more trading standard officers wandering around boring holes in food and saying, "No, no, this food has risen above −12 deg C, so it has to go."

Italy has virtually no system of trading standards, so I cannot see how it intends to implement the directive. The same is virtually true for France. The truth is that it has little intention of implementing the directive. One wonders why the country which initiated the scheme in the first place is pushing behind the scenes.

We need to look at the retail trade and the corner shop, where retail cabinets may fall below standard because they are old or overcrowded, need maintenance or because the retailers bought cheap Italian products that do not meet British standards. However, I recommend that we look to the International Standards Organisation standards. If we want to ensure that we have good standards to protect the consumer and if we are convinced that the consumer needs protecting, we should enforce ISO standards for cabinets. That is relatively simple without raising costs.

I encourage my hon. Friend to resist the directive and not to lead us down the path of increased costs of an inspectorate, increased costs to the industry and no tangible benefit to the consumer.

11.29 pm

Mr. David Maclean (Penrith and The Border): I congratulate my hon. Friend the Parliamentary Secretary not only on the substance of what she said, in that she resisted this most meritorious of Brussels directives, but on the fact that she managed to keep a straight face—as an excellent politician should be able to do — when reading out the reasons why the Commission thought the directive was essential.

The directive started life being so nonsensical that it forced us to go into protracted dialogue with our European colleages and to become more communautaire and more pro-European in the process. It is an interesting exercise, but if, as my hon. Friend the Member for Edmonton (Dr. Twinn) said, we started with rubbish, went through all this marvellous dialogue and came out with rubbish, we will have done a great disservice to the British people and to Parliament.

There are only two reasons for any legislation on food safety grounds. The first, and by far the most important, is health and safety. Is a particular law necessary to safeguard the lives of our citizens who may eat the product? We all know that this requirement is not necessary. We have heard on numerous occasions tonight that there have been no examples of serious illness or death in the last five years. The reference is to the last five years, because that is the only period for which the Government can answer. If we checked the records, no doubt we would find that over the preceding five years, and the five years before that, there was no death or serious injury caused by any health problem associated with quick-frozen food.

The cases in hospitals and elsewhere that have caught the headlines about terrible outbreaks of salmonella and so on were caused not by frozen food but by poor hygiene in regard to food that had already been cooked and left out all day. So there is no health ground for the directive.

The second reason for enshrining something in legislation would be sound commercial grounds. Again, this directive fails the test of commerciality. We have already been told that in this country we have one of the most vigorous frozen food industries. We are one of Europe's largest and most successful producers. The British housewife is one of Europe's largest users of frozen food. Therefore, there is no consumer resistance in the United Kingdom to buying quick-frozen food. In fact, one of the biggest worries of many of the farming unions is that there is a move towards easy-to-cook frozen foods and away from the traditional roast. We should recognise that and gear our marketing accordingly. Therefore, there is no consumer resistance to force us to adopt the directive and to persuade consumers that it is safe and good for them to eat quick-frozen food.

Nor is there any commercial interest in regard to the export market. We have always been poor at exporting much of our food products. We have failings in the marketing of frozen food, as we have in all other commodities that are not within the scope of the directive. The solution is not to go ahead with the directive. It will not open up vast markets overseas that we will be able to capture easily. If our experience of the last 15 years is anything to go by, we know that the reverse is true.

The only reason why we have the draft directive is that we have a frozen food market that is ripe for plucking. The other EEC countries recognise that, as they have done in other of our commodities in which they wanted to capture a large share of the market. The directive fails the test of commerciality.

What, therefore, should my hon. Friend do? Being reasonably communautaire, we cannot reject the directive

[Mr. David Maclean]

outright. We must continue the process of negotiation to get something more sensible. In that regard it is not right to stick to the temperature requirement of minus 18 deg C. That is dangerous and unnecessary. We have heard that it would be impossible to enforce with teams of inspectors checking the insides of peas, fish fingers or Brussels sprouts. I shall not go into the technicalities. I merely repeat that a temperature of minus 18 deg C. is an unnecessary and penal restriction when we have for generations lived on quick-frozen food that may have been colder or less cold. That temperrature is not required for health and safety reasons.

My hon. Friend the Minister said that there are 38,000 retailers of quick-frozen food. That is an underestimate. There might be that many big retailers, but almost every village in my constituency has a post office or little shop, perhaps even a garage, with freezers containing ice cream and frozen foodstuffs.

Mr. Thurnham: Does my hon. Friend agree that the one small glint of sense in the directive is that ice cream is not to be included, so that might reduce the number of outlets that my hon. Friend has in mind?

Mr. Maclean: I was not suggesting that ice cream is not to be included. The freezers that I have seen also have frozen foodstuffs that would come within the scope of the directive.

It would be iniquitous to insist that all outllets should keep food at minus 18 deg C, or within a tolerance of plus or minus 3 deg. C, at all times. As the hon. Member for Great Grimsby (Mr. Mitchell) said, it would be ridiculous, just to meet rigid but unnecessary European standards, to get inspectors to check food at the point of manufacture, at the point of transport and at the point of distribution, but, when it gets to the final link in the chain, to say, "We will not inspect it at this point." That would be nonsense.

If we must go along with the directive, the only way forward is to pursue ISO standards or British safety standards for refrigeration equipment. My hon, Friend the Member for Bolton, North-East (Mr. Thurnham) should be pleased about that, as it would generate more business for his company. It is honourable of him to oppose a directive which would generate business for the refrigeration industry because he does not believe that it is sensible.

There is no point in pursuing the minimum temperature part of the directive, because that would be inherently dangerous for our trade. We should pursue the line of safety standards of equipment. It is easier to police and we could do it alone, just as we have in the past. There is no need for a European directive, but we must harmonise European standards. We must also protect our retailers.

When I lived in the constituency of the hon. Member for Ross, Cromarty and Skye (Mr. Kennedy) and we had one of those terrible winters when we were cut off for nine days, we discovered on the second day that it would be a long time before the electricity supply would be restored, so we emptied the deep freezes and threw the food outside. We were not being profligate. I do not know whether the temperature outside was minus 18 deg C, but it was pretty dashed cold. We buried the food in 6 foot of snow and it tasted pretty good when we dug it out again. No doubt the Sicilians will not understand that story, but I feel quite fit and hearty. I went to a Burns supper and used my Skean-dhu to open the haggis. The temperature inside was pretty hot and the whisky made it even hotter. We are alive and kicking today.

The draft directive has been called horizontal legislation. We should turn it into vertical legislation and put it straight down into the bin.

11.38 pm

Mrs. Fenner: There have been some very witty speeches. Perhaps I should follow up the more serious ones first.

The hon. Member for East Lothian (Mr. Home Robertson) asked why only quick-frozen food is covered. The draft directive imputes a wide meaning to the term "quick-frozen", which includes all products except those frozen in still air. We shall in the working groups seek clarification of the term's coverage, so that there are no anomalies in the directive.

The hon. Gentleman made much of measuring the centre of the product. There has been a lot of criticism of taking the temperature at the centre of the product. The directive says that it should be at the centre of the product and although techniques exist for this, we shall be discussing with manufacturers and retailers whether they would prefer air temperature or temperature at the centre of the product. There is a risk that temperatures measured elsewhere than at the centre could result in even tighter controls and greater energy expenditure. So we shall have to look at our arguments on that to make sure that we are not imposing an additional burden.

The hon. Member for Great Grimsby (Mr. Mitchell) asked whether we had consulted industry properly on this. We have consulted repeatedly with our manufacturers in the United Kingdom. We have said that the directive as drafted, however, does not take account—we agree with the hon. Member for Great Grimsby—of their technical or manufacturing expertise, and we shall aim to be correcting this in discussions on the basis of what we regard as our greater technical knowledge in this field.

My hon. Friend the Member for Slough (Mr. Watts) raised the disturbing matter of the constituent who had ratatouille — rodentatouille, he called it, rather appropriately. But whether or not there is a directive on frozen food will not affect any occurrence such as this, which is due to manufacturers' human error in not checking sufficiently closely at the packing stage that there are no foreign bodies. Incidentally, I spent the morning at a seminar on foreign bodies in food, so I am up to date on that.

Foreign objects can be, of course, and sometimes are, found in any foodstuffs, whether or not they are frozen. A dead mouse is a pretty horrible object in food, whether it is frozen or thawed. When complaints are made to enforcement officers by the public, if, as in this case, they concern imported food, those officers usually ask the Ministry of Agriculture, Fisheries and Food to approach the embassy concerned and ask them to approach the appropriate enforcing authority in their country for an investigation. As much detail as possible to facilitate identification of the foreign manufacturer is given and the Ministry asks for and often receives the results of the investigation.

Of course, if an object is found in food produced in the United Kingdom, the enforcement authorities can take action against the guilty parties and prosecutions are

usually instituted under section 2 of the Food Act 1984 —that is, on the ground that the food is not of the nature, substance or quality demanded. My officials will take up with the Spanish embassy the matter raised by my hon. Friend the Member for Slough if he would care to provide me with the relevant details.

We were asked whether we could tighten up import controls in this respect. We have sent out a consultative document on the review of food legislation. We shall be considering the comments on that document to decide whether steps should be taken to go ahead with changes in food legislation. One of the recommendations of the consultative document is to tighten up the requirements of the importers' code of practice and determine just how much they should do to ensure that their suppliers have followed hygienic production methods, and so on. So the importers would have the responsibility of ensuring that they were importing from a supplier who used hygienic methods.

The hon. Member for Great Grimsby asked whether, if we are concerned about retail and wholesale distribution standards, we should not be discriminating against manufacturers if we did not carry it right through the chain. There is less problem with maintaining a minus 18 deg C temperature at manufacturing and international distribution levels, partly because those sectors tend to be already geared to working at that temperature and partly because handling conditions are so very different.

For example, in a retail shop, the opening and shutting of cabinets makes it much more difficult to maintain a very low temperature, even when tolerances are allowed, than in a factory. A retailer might be forced to keep his cabinets well below this level, and might even have to install air conditioning to have any chance of the temperature at the centre of the product being minus 18 deg C. Similarly a van making local deliveries might have to open and shut the door at several shops, and would therefore find it much more difficult to maintain minus 18 deg C. than a long-distance carrier making a large delivery at the end of a long journey to a single depot.

The attempt in the directive to cover purely domestic arrangements such as local distribution provisions and conditions in retail shops seems to go beyond what can be justified as a directive under article 100 of the treaty of Rome, which is concerned with the removal of obstacles to the establishment and maintenance of a Common Market. I should tell my hon. Friend the Member for Harrow, East (Mr. Dykes) and the hon. Member for Ross, Cromarty and Skye (Mr. Kennedy) that we are concerned with maintaining a true Common Market, but we believe that at the local distribution and retail levels this is not concerned with intra-Community trade.

There is no virtue in maintaining a temperature that is lower than justified on grounds of health and quality. Rather, it constitutes a waste of energy and money. As my hon. Friend the Member for Penrith and The Border (Mr. Maclean) said, it could also reduce the number of retail outlets carrying frozen foods, even though at present they are demonstrably capable of handling a range of wholesome quality products. As a number of hon. Members have pointed out—the hon. Member for East Lothian had this confirmed in a written reply—there have been no health problems at all with frozen foods sold by retailers. We are determined not to be left with a directive that will impose real and unnecessary economic costs, particularly on small enterprises serving local needs.

As I told my hon. Friend the Member for Grantham (Mr. Hogg), who I believe has had to leave, there is no scientific case for minus 18 deg C. It just happens to be 0 deg F., and we believe that was set as an easy marker.

My hon. Friend the Member for Edmonton (Dr. Twinn) said that the directive was rubbish. I take issue with him. The hon. Member for Great Grimsby asked for a statement on the use of the veto. The hon. Gentleman will accept that we are the largest producer and consumer of frozen foods in the Community, so our views can be expected to carry considerable weight because we speak from wide practical experience.

Hitherto, we have argued on the principles of the directive. We have not been greatly concerning with the detailed, technical features of the proposals. But once we address ourselves to these issues, we will be in a good position to influence opinion on this subject.

The Government will not argue for temperatures to be tolerated that would involve any risk to health, but I reiterate that minus 18 deg C goes far beyond what is necessary on health grounds. We think that quality can be adequately safeguarded by voluntary control. The manufacturers already have a code of practice, and the Retail Consortium is in the process of finalising guidelines for the handling of quick-frozen foods. There will be a marked disadvantage to consumers if over-strict regulations lead to closure of retail outlets which previously supplied frozen food or the imposition of unnecessary costs on retailers.

My hon. Friend the Member for Bolton, North-East (Mr. Thurnham) asked why we had brought this forward when we so resolutely opposed it, and he submitted a paper based on his wealth of experience in the refrigeration industry. We still do not accept that the Commission has adequately shown that there are real intra-Community trading problems which would be overcome by a frozen food directive on the lines proposed. Nevertheless, the Commission's views have gained much support from other member states, they have the backing of the Economic and Social Committee and they will probably be supported by the European Parliament. In those circumstances, it is sensible to re-examine the proposals to see whether they can be made to conform more closely with United Kingdom interests.

Mr. Thurnham: Will my hon. Friend bear in mind the fact that the directive would mean a massive investment of £500 million in equipment that this country cannot possibly provide and which would have to be imported mainly from the EEC? Does she agree that we should be on our guard against any underlying motive of that kind by other member states, given that the United Kingdom is the biggest market in the Community for such equipment?

Mrs. Fenner: I have made it clear that we are concerned about the capital investment that would be required if small retailers had to meet these proposals, but I do not think that my hon. Friend should be too pessimistic about motives. We are mindful of the cost, and we take the view that unless the proposals can be made to conform more closely with out interests and the unnecessarily onerous features removed from them, continued opposition is the only possible course. We hope, however, that it may be possible to safeguard our interests by seeking commercially sensible and technically sound amendments.

[Mrs. Fenner]

I hope that I have covered all the points raised in the debate. It is clear from the number of Members present at this time of night that there is great interest in this matter, and we shall carefully consider the views that have been expressed. There is now considerable momentum behind the proposals and this is an opportunity to consider what is the best course of action, taking into account the various interests throughout the United Kingdom.

I believe that there is no option but to oppose the directive in its present form. It is unnecessary and goes far beyond what is justified in terms of facilitating intra-Community trade. It fails to take account of the practical realities of local distribution and retailing of frozen food and in some areas it appears to contain technical inaccuracies and confusions. Nevertheless, I believe that it is worth trying to get the proposals modified so that they become sounder and more acceptable to the United Kingdom, particularly at the local distribution and retail levels.

This approach offers an ultimate safeguard against attempts to impose extensive and unjustified constraints and allows more constructive tactics to be employed. Given the favourable climate of opinion in other member states, it will probably offer the best chance to reach generally acceptable conclusions on the treatment of frozen food.

Question put and agreed to.

Resolved,

That this House takes note of European Community Document No. 9402/84 on the approximation of laws relating to quick frozen foodstuffs for human consumption; and supports the Government's intention to oppose Community measures in this field, unless they can be modified to meet United Kingdom interests.

Mental Health Act

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Neubert].*

11.54 pm

Mr. Richard Ottaway (Nottingham, North): I wish to draw attention in this short debate to what I believe to be a deficiency in the Mental Health Act 1983. Before going into what I believe to be the difficulties with the Act, I shall refer to a case which came to my attention in my constituency involving Mr. Lionel Clarke. I make no apologies for broadcasting his name, as I first heard about the case via the national television channels, so the background to his case is a matter of common knowledge.

Mr. Clarke, who is a negro in his 20s, has a long history of mental illness, and the social report produced by the Nottinghamshire county council shows that he has a background of aggression and that he is especially difficult to handle. This manifests itself in a number of violent tendencies. He has been in and out of a number of mental institutions. He was in Rampton, and after his discharge in 1980 he returned to his home and was peaceful for a while. However, in 1982 he threatened to kill his neighbour. He went back into a local mental hospital where he caused a considerable amount of damage, including tearing radiators from the hospital walls. His aggression increased over the years until in 1984 he broke down the door of his neighbour's house after he had been refused entry. He threatened his neighbour's children and had to be arrested by the police. It required 12 officers to detain him with a number of police cars and police dogs, and the incident caused a great deal of local concern.

Mr. Clarke was readmitted into Highbury hospital, which is a local mental hospital, and was released in July 1984. His mother was most concerned about his release and expressed her concern. She felt that she could not cope with someone of such violent tendencies living in her home. Her fears were justified, because a few weeks later he broke into his grandmother's house, broke it up, smashed up the cars of the police officers who came to detain him and generally caused havoc. In January 1985 he broke up his mother's house and threatened to kill her. He was remanded in custody for the damage which he had caused to his mother's house. As there were no suitable settings for him in the local health authority area he was put in Lincoln prison where he was remanded pending trial for the offences which he is believed to have committed.

It was against the seriousness of Mr. Clarke's background and the nature of his behaviour that Nottinghamshire county council prepared a report for the Nottinghamshire magistrates' court. The council decided that he was a definite risk to his family, to the neighbourhood and to the community generally. In preparing the report for the magistrates' court, no fewer than five psychiatrists were consulted over Mr. Clarke's condition. One psychiatrist came to the conclusion that, though he was a difficult person, he was not mentally ill. Of the other four, they all felt that he should be in a secure unit. Two of the four thought that that secure unit should be Rampton, which is under the control of the DHSS, which is an important feature in this case.

I shall quote a small extract from the consultant psychiatrist at Rampton. If he does not know what the matter with the man is, no one will. He wrote:

"I still consider that he presents a grave danger to others and that it is only a matter of time before he causes serious injury to

someone. I consider that at the present time he needs treatment under the high degree of security, which is provided by Rampton Hospital."

Faced with reports of that nature, the Nottinghamshire magistrates decided that Mr. Clarke should be the subject of a hospitalisation order under section 57 of the Mental Health Act 1983. Under section 39, a request was made to the Nottingham health authority to provide the court with details of a secure setting for Mr. Clarke so that the magistrates could make a hospitalisation order and put him into a secure setting.

On 23 April the Nottingham health authority said that there was no suitable secure accommodation for Mr. Clarke in the region, or in any other region. Under section 39 of the Act the authority had been asked to provide details of a place in the region and the authority said that no spare place was available. It was not that a place could not be found but that the man was so dangerous and his condition so serious that suitable treatment could not be found in the region.

My information after that date is a little woolly, but someone then approached the DHSS, which controls Rampton, and said that the man should be admitted to Rampton. The DHSS admissions panel, in spite of the psychiatrists' report, decided that he should not be admitted to Rampton.

The magistrates were put in a difficulty because they could not keep the man on remand indefinitely. They had to try him. He was found guilty of offences and fined, and then—lo and behold—he was discharged. This was a man who a consultant psychiatrist at Rampton thought would eventually cause someone injury. No order was made.

This caused considerable concern to Mr. Clarke's family and the community. It attracted publicity. He was sent home with no obligation except to behave himself. That clearly could not continue, but it was not until his mother applied to start the process again that the man was taken to a local mental hospital. Within a month he was transferred to Rampton.

I have not mentioned civil liberties, because it is not appropriate, but civil liberties are a concern. I have not mentioned section 41 of the Mental Health Act, which places a duty upon the Home Secretary to protect the public's interest in such circumstances. The case that I have described shows that there is a lacuna in the operation of the Mental Health Act in that a man who is clearly mentally unwell can be set free.

I should like to ask some questions which if not answered tonight should eventually be answered. First, on what grounds did the DHSS refuse to admit the man to Rampton? The psychiatrist's report was available to the admission panel, but it was ignored. Secondly, why had the process to be restarted? Section 39 of the Act has been shown to be ineffective. The only obligation under that section seems to be to say whether a place is or is not available.

We should change the legislation to oblige the health authority to find a place for such a person. That was discussed in the Committee considering the measure and the Minister told the Committee that he would rather strengthen the guidelines than rely upon legislation. Clearly, those guidelines are not working. I hope that, if legislation is introduced, they will be reinforced. It is not sensible to set such people free on the streets and cause us great concern. I should like to know about the Department's plans to block this loophole, which cannot be left in its present position.

12.5 am

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. John Patten): I am grateful to my hon. Friend the Member for Nottingham, North (Mr. Ottaway) for raising this point. He is rightly concerned about the welfare of one of his constituents, that person's family, the community and those who might be adversely affected by his actions. I shall try to answer all my hon. Friend's points in relation to the particular case and by using the case as an illustration of our general difficulties. These difficulties arise not so much because of the Mental Health Act 1983 but because of the nature of a relatively small number of cases, such as that cited by my hon. Friend, which fall within the difficult-to-place or difficult-to-categorise categories or where there is a dispute between clinical specialists about the exact nature of the illness or handicap.

At least one other hon. Member will remember a similar debate a few weeks ago when my hon. Friend the Member for Plymouth, Drake (Miss Fookes) raised the case of a young woman who fell into a similar category. I should like to use some of the arguments tonight that I used then to show that better placement may be achieved not necessarily by a change in the law but by improvements in practice and better handling of difficult-to-place patients. We are dealing with a small handful of people in this respect.

A patient can be admitted to hospital for treatment if the hospital thinks that it can help and if the patient is willing to seek such help. The Mental Health Act is specific about detention. Ministers make no apology for the strictness of the criteria.

My hon. Friend said that he did not want to raise the civil liberties aspect and that this was not an appropriate occasion on which to discuss it. I have read with interest what he has said in the House on another occasion about civil liberties. It is important to remember that to deprive a person of his civil liberty is a serious matter. It is right that such a decision should be taken only after the most careful consideration.

I make no apology for the application of four strict criteria. The patient must be suffering from one or more —although not necessarily all—of the four forms of mental disorders set out in part I of the Mental Health Act and the mental disorder must be of a nature or degree that makes it appropriate for the patient to receive medical treatment in hospital. Ministers looking at those conditions are immediately and properly in the hands of medical advisers, clinicians and psychiatrists who make these judgments on society's behalf. It is not always easy for those judgments to be made clearly by medical authorities and it is sometimes very difficult for Ministers to make up their minds about particular cases. I would not wish to hide the difficulties that are faced by my right hon. Friend the Secretary of State and other Ministers in the Department. We spend a great amount of time trying to evaluate these cases.

Furthermore, it must be necessary under the Act for the health or safety of the patient or for the protection of others —in this case, my hon. Friend would probably say for both—that he or she receives this treatment, and it

[Mr. John Patten]

cannot be provided unless he or she is detained; for example, should the patient be unwilling to stay in hospital on a voluntary basis.

Whether those conditions are met in any case depends on at least two medical practitioners making the necessary recommendations. Provided all the conditions are met, the courts have the power, when dealing with someone who has committed offences punishable by imprisonment, to order admission to hospital under section 37 of the 1983 Act.

The Act did not, however—this point was debated at length during the passage of the measure; my hon. Friend has read the Committee proceedings and referred in his speech to some of those debates—confer on the courts the power to direct either a regional health authority to take or an individual doctor to treat a patient. Those who read the Committee proceedings will see why the Minister argued that that should be so.

Nevertheless, the ability of the courts to make hospital orders has been enhanced by the Act, especially by enabling them to get information from regional health authorities under section 39. That places a duty on regional health authorities to respond to requests from courts for information about a hospital or hospitals within its region or elsewhere which could give accommodation to a man or woman in respect of whom the courts are considering a hospital order. The section was specifically designed to help the courts to establish what facilities are available and which is the appropriate hospital catchment area for a patient.

Before coming to the question of patients, and to the particular patient to whom my hon. Friend referred, it might be of interest to the House if I give a resumé of the operation of the Act so far. In the past year the Department has monitored the occasions when section 39 has been invoked by the courts, and we have monitored the outcome. There have been only 29 requests for information by the courts. That represented just over half of cases, 18 patients, being admitted to NHS hospitals, some of whom might have fallen by the wayside and gone to prison instead had section 39 not existed. Thus far, therefore, for those 18 patients, there has been a considerable advance. The 29 references made by the courts gives a picture of the dimension of the problem —a relatively small number of people, but that is not to say that they are not an important handful of people.

Mr. Ottaway: I was confused when reading section 39 by the fact that no reference seems to be made to consideration of placing patients in very secure units, for use of a better expression, such as Rampton, which are under the control not of the local health authority but of the Department of Health and Social Security. How do those hospitals come within the ambit of section 39?

Mr. Patten: We have discretion to admit to special hospitals subject to the advice of the panel which assists Ministers.

It is true that an approach through section 39 is limited to the courts, and that answers my hon. Friend's question. But in the last two years the Department has taken its own initiative—because we have seen some of the problems —by having detailed discussions with each of the 14 health regions in the country involving senior officers of the NHS authorities, consultants and senior nursing staff from individual hospitals—we are indeed grateful to the nursing staff in some of these hospitals for dealing with patients who cause such difficulties—directors of social services and prison medical officers. We got all those people together and talked about this single category of difficult to place patients—those at the margin—and by getting those most concerned to look at the problem in that way, we have a much clearer picture of the total pattern of services and what developments are necessary to ensure that there is a comprehensive service in each region.

Further developments are needed in some regions, but some are not so much to do with bricks and mortar and staff as with a better understanding of how to manage some of these patients and redistribute them through separate hospitals in regional secure units or, as a matter of last resort, in places such as Rampton. There will always be cases that do not readily fit into the pattern of available facilities, so that will be problems in placement.

That leads me to the case that my hon. Friend has chosen as the subject for his debate. As I have explained before, I do not think that it is proper for me, as a Minister, and it may not be in the interests of the person concerned, to discuss the details of the individual case in public. Sometimes these details are highly personal. My hon. Friend dealt with great delicacy and sensitivity with a case that has already been widely broadcast. None the less, some points raise sensitive issues of confidentiality, and to answer those points I prefer to address my hon. Friend by letter. I am not trying to dodge the issue.

The case to which my hon. Friend refers is one in which the court clearly wanted to make a hospital order. However, it was prevented from doing so because the Trent regional health authority could not offer a hospital placement either in its region or elsewhere. The court had requested information under section 39. My right hon. Friend the Secretary of State did not consider that a special hospital place was appropriate. My hon. Friend has outlined the sequence of events, and how that decision came to be taken. He has also asked some questions which involve confidentiality and individual details, and I shall write to him about them.

The court had no option but to impose a custodial sentence. Because of the period spent on remand, the man concerned was released back into the community. However, in this case there had been some disagreement between doctors about the nature of the mental disorder. Sometimes, cases that to lay people look like mental illness may be cases of mental handicap, with additional behavioural problems. Such considerations bore on the region's decision not to offer a place in its secure unit.

In the event, although strictly speaking treatment in a maximum security unit was not warranted, my right hon. and learned friend the Minister for Health intervened speedily after my hon. Friend's concern was made known and asked if, after looking at the case again, the region decided that it could not look after the man, a place at Rampton should be made available. We try to act as sensitively as possible on individual cases causing concern, such as this, when the way in which the law has worked has left someone falling between all the available stools.

After further detailed discussions between my Department and the region, the latter, still not being prepared to offer a permanent hospital place, offered a bed as a temporary measure in a local hospital, and the patient was therefore transferred to Rampton hospital. He is there

now, and treatment is available from skilled staff for that man who needs our help. That also means that the people from the area from which he came — neighbours and relatives—who were concerned, have no more reason to be concerned, and that is important.

On the wider issues, I hope that I have said enough to demonstrate that there has been some real progress under the Mental Health Act, even if my hon. Friend feels that in this case that progress has not been shown.

I shall certainly consider the point that my hon. Friend made about the possibility of there being a lacuna in the law. Many, if not all, of the problems caused by difficult-to-place patients, where section 39 is involved, will during the next few years be greatly aided by the considerable progress that we are making by keeping in close touch with all the people in the different categories that I listed, who are concerned with this small but important minority of patients who do not fit readily into any system. I suspect that we shall never design a perfect legal system to encompass all those whose needs must be tackled on an individual basis.

Question put and agreed to.

Adjourned accordingly at twenty minutes past Twelve o'clock.

House of Commons

Thursday 20 June 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

GREATER LONDON COUNCIL (MONEY) BILL
Read the Third time, and passed.

LEICESTERSHIRE BILL *[LORDS]*
Read the Third time, and passed, with amendments.

BIRMINGHAM CITY COUNCIL BILL *(BY ORDER)*
Order read for consideration of Bill, as amended.
To be considered upon Monday 24 June at Seven o'clock.

BRITISH RAILWAYS (TROWSE BRIDGE) BILL *[LORDS] (BY ORDER)*

Yorkshire Water Authority Bill *(BY ORDER)*

Berkshire Bill *[LORDS] (BY ORDER)*
Orders for Second Reading read.
To be read a Second time upon Thursday 27 June.

Oral Answers to Questions

AGRICULTURE, FISHERIES AND FOOD

Milk Quotas (Tenant Farmers)

2. **Mr. Ashdown** asked the Minister of Agriculture, Fisheries and Food if he will list the steps he has taken to protect tenant farmers from the effects of the imposition of milk quotas.

The Minister of Agriculture, Fisheries and Food (Mr. Michael Jopling): Tenant farmers were given the same rights as owner-occupiers to apply to the quota tribunal for extra quota. Tenant farmers will also benefit, like other milk producers, from the increased flexibility which I negotiated for the management of quotas, and from the recently announced allocation of extra quota to small producers.

Mr. Ashdown: Does the Minister recognise that tenant farmers and small and family farmers have had to bear the major burden of the milk quota scheme? Does he think it right that the tenant farmer should have no rights over the milk quota, which his investment and hard work have helped to create, and that it should be completely at the disposal of the landlord? Does the Minister see the injustice of the position, and will he think of further steps to correct it?

Mr. Jopling: Under the Community's regulations, quota is not owned by either the tenant or the landlord, but attaches to the land for the use of the occupier of that land. The hon. Gentleman will understand that while tenant farmers may have contributed to the build-up of production on the farm, they will have benefited from the resultant increase in income. I acknowledge that tenants have an interest in the quota, but so do landlords.

Mr. Maxwell-Hyslop: I am grateful to my right hon. Friend for saying that tenants, as occupiers, will now be able to take advantage of the outgoers scheme, rather than landlords who are not occupiers. It is good of him to clarify that point.

Mr. Jopling: With respect to my hon. Friend, I did not say that. He may be interested to know that until recently the percentage of dairy farmers who were tenants who took advantage of the outgoers scheme was no less than 28 per cent.

Mr. Home Robertson: The dairy quota scheme has been a botched job from the start. In view of the fact that it is particularly difficult for tenant dairy farmers to buy in transfer quota at the inflated prices which now apply, will the Minister offer special help to them by giving reasonable priority to them in the allocation of the latest tranche of outgoers quota?

Mr. Jopling: We take all applicants for the outgoers scheme in the order in which they come. As the hon. Gentleman knows, the scheme has been reopened, and that is the basis on which we are at present working.

Dairy Industry

3. **Mr. Penhaligon** asked the Minister of Agriculture, Fisheries and Food if he is satisfied with the present state of the dairy industry; and if he will make a statement.

Mr. Jopling: In spite of the effective implementation of quotas, there is still a substantial surplus of milk production, and significant shifts in consumer demand are taking place. I am confident that there is the enterprise and flexibility for this efficient and successful industry to adapt to changing circumstances.

Mr. Penhaligon: Does the Minister recall the correspondence that we have had about leucomycin? It was the result of infected food being supplied by Dalgetys to more than 150 dairy farmers in Devon and Cornwall, which seriously affected their milk production. The company has honourably faced its responsibility to make compensation. The panels recognise that the production loss is genuine, yet the rules do not allow any extra quota to be given. Will the Minister tell the House precisely what he has done so far to correct that obvious injustice?

Mr. Jopling: I am aware that several cases fell outside the rules—they were cases of hardship—and that they could not be dealt with by the tribunal and the panels. I am aware of those difficult cases, and I shall be meeting Lord Grantchester later this afternoon to discuss them.

Mr. Michael McNair-Wilson: Despite the many vicissitudes through which the dairy industry has passed in recent months, does my right hon. Friend believe that doorstep deliveries are safe for the time being?

Mr. Jopling: How nice it is to see my hon. Friend in the Chamber. I hope that the doorstep delivery is safe for

the time being, but the continuance of that excellent service depends upon the support of housewives. If housewives buy their milk in other places, the doorstep delivery system will be in jeopardy.

Mr. Home Robertson: Is the Minister aware that last year milk production in England and Wales was 215 million litres below quota? Is he further aware that there is still a colossal surplus of milk production in the EC? Does he accept that last year he caused the maximum disruption of the industry in Britain, for the minimum benefit in Europe? May we now have a proper, long-term review of the dairy industry? That might be a useful chapter in a possible White Paper on agriculture.

Mr. Jopling: The hon. Gentleman has bowled me a full toss here. I refer him to a recent press release from the Milk Marketing Board on the "Milkminder" dairy costing service, which demonstrated that, for the 1,931 herds surveyed in 1983-84 and 1984-85, margins over purchased feed increased by £53 a cow in the first year of quotas, from £511 to £564.

Mr. Jim Spicer: Will my right hon. Friend comment on the effect of the payment of levy on an annual basis? Has he received representations from the farmers' unions of England or Wales on the result of the recent price fixing in Brussels?

Mr. Jopling: I was able to get agreement that the payment of levies which might become due will be made on an annual basis. That has been welcomed by the NFUs, and it will be helpful to farmers who are changing the seasonal pattern of their production. I was especially pleased that a Welsh farming organisation warmly welcomed the livestock part of the price fixing settlement.

Mr. Harris: Without minimising the real hardship caused to some dairy farmers, does my right hon. Friend agree that the figures from the Milk Marketing Board survey show that there has been a real overall increase in profits for the dairy industry during the first year of quotas? Will he reject completely the hypocrisy of the junior Opposition spokesman on agriculture, the hon. Member for East Lothian (Mr. Home Robertson)?

Mr. Jopling: I am grateful for my hon. Friend's comments. The Milk Marketing Board's survey referred to margins over purchased feed, not to profits. Of course, the two are related.

Mr. Maclean: Is my right hon. Friend aware of the consternation in the dairy industry about the Government's attitude towards delays in payment for butter taken into intervention? Although EC countries have reduced the minimum delay from 120 days to 90 days, Britain is sticking to 120 days. Does he accept that not only will that cost the Dairy Crest £1·25 million in extra interest payments, but, more damagingly, it implies to British farmers that the Government will not treat them on equal terms with other EC farmers?

Mr. Jopling: Member states can use their discretion on those matters. I do not have the information on what other countries are doing. It is doubtful whether we should make intervention more attractive and increase the already heavy burden that it imposes on public funds or reduce the incentive for production to find the real market outlets.

Agricultural and Food Research Council

4. **Mr. Dalyell** asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the level of his Department's funding of the Agriculture Research Council compared to previous years.

Mr. Jopling: My Department's expenditure with the Agricultural and Food Research Council in the current year is likely to be very similar in cash terms to that in 1984-85.

Mr. Dalyell: Does the Minister envisage the research and development services coping with — whether the right hon. Gentleman hides it or not — something approaching a cut in real terms in the time that they have been given? Will that not injure the totality of their work?

Mr. Jopling: The total expenditure on agriculture, fisheries and food from all sources is likely to amount to £204 million in 1983-84. The total spent on agricultural research and development amounts to £160 million. That is an enormous amount of money being spent on that important endeavour. I have no reason to believe that it is likely to be inadequate.

Sir John Wells: Is my right hon. Friend aware of the grave anxiety of the horticultural sector of the industry about reputed reductions in research and development? Horticulture gets little general support from the Government and taxpayers' funds, so the support for research and development is of particular value.

Mr. Jopling: I hear what my hon. Friend says. He will know that those matters are being considered by the Priorities Board. It would be a mistake to pre-empt what it might decide. Those concerned are experts in this area, and the AFRC is represented on the board. No doubt those people will note what my hon. Friend has said.

Mr. Donald Stewart: Is the right hon. Gentleman aware that the slashing of funds for the research and advisory functions of his Ministry will have a serious effect on the industry as a whole? Unfortunately, through his right hon. Friend the Secretary of State for Scotland following his example in Scotland, it has meant a cut of 41 per cent. Will the right hon. Gentleman take on board the point, which has already been made, that expenditure on those services is well worth while and that the loss from cutting them might be severe?

Mr. Jopling: The right hon. Gentleman will recall that this question is about research and development, not necessarily about the advisory service. He will also recall that we are now having discussions with the industry with regard to both research and development and the advisory service, so that the industry as a whole will be able to make a larger contribution in the place of cuts in public expenditure that are necessarily having to take place.

Mr. Alan Howarth: Will my right hon. Friend assure the House that the Government are doing everything they can to mobilise private sector support to make up the shortfall in funding that will arise from the Government's reductions? Is not that the least that the Government could do in the present circumstances? Does my right hon. Friend acknowledge that unless funding is maintained we shall lose research capabilities—as an example, I cite aspects of the work of the National Vegetable Research Station at Wellsbourne—which are not only of proven

and continuing value to our economy, but, through our aid programme, would enable us at minimum cost to confer immeasurable benefits on some of the poorest people in the world?

Mr. Jopling: My hon. Friend will remember the announcement that I made on 24 May, that consultations would be held with the industry, and that it would be invited to consider a system of sectoral contributions. Those consultations are now in progress. It is valuable that the Priorities Board is in being. It is looking at the whole realm of agricultural research. My hon. Friend may like to read the Select Committee's report of two years ago and the Joint Consultative Organisation's report on the same subject, which were critical of certain aspects of the structure and organisation of research and development.

Mr. John: Will the Minister tell us when the institutes concerned will know about the effect of these reviews on staff numbers and, in particular, where the cuts will fall? Not the least hardship is the uncertainty that they all feel by reason of these cuts.

Mr. Jopling: Responsibility for the reseach councils falls upon my right hon. Friend the Secretary of State for Education and Science. However, I appreciate the current uncertainties. Our aim is to provide clear guidance as soon as possible.

Agricultural Production

5. **Mr. Phillip Oppenheim** asked the Minister of Agriculture, Fisheries and Food if he will estimate the effect that the recent price cuts proposed at Brussels on agricultural produce will have on agricultural production.

Mr. Jopling: It is impossible to make precise estimates of what agricultural production will be in any year, as much will depend upon unpredictable factors, such as the weather. But if prices are reduced, the production of a commodity over a period will be lower than it would otherwise have been.

Mr. Oppenheim: Does my right hon. Friend realise that the figures produced by his Department show that during the past 10 years farm gate prices have fallen by an average of 20 per cent., but that during the same period production in some sectors has risen by as much as 200 per cent.? Bearing that in mind, can he have any confidence that this price-cutting policy will reduce food production?

Mr. Jopling: Those who are against nominal price cuts have always used the argument that if prices are cut production is increased. I reject that argument. There is a great difference between cutting prices in real terms and cutting prices in nominal terms. My hon. Friend should remember that so far in the history of agricultural support, either in this country before we joined the European Community or within the common agricultural policy, there has not been a period when a real attempt has been made to control production by reducing prices. My view is that in this sector the market will work, as it works in other sectors.

Mr. Freud: If the agreement results in a cut in prices, will the Minister think of my small farmer constituents who have already had their sugar beet and potato quotas cut and to whom CALs make all the difference between a profit and a loss? Will he tell the House what he thinks will happen to them?

Mr. Jopling: During the past few years the larger farmers on the eastern side of the country have had a far better deal than have farmers on the western side of the country. That has caused me to say continually that the imbalance between grain and livestock needs further to be redressed.

Sir Peter Mills: Will my right hon. Friend bear in mind that in this changing scene for British agriculture there are some very real problems, particularly for small farmers? Will he also bear in mind that prices now for calves, heifers and store cattle are the highest they have ever been and that grass sales are running at £125 per acre? All is not, therefore, gloom and doom under this Government.

Mr. Jopling: I am glad to hear that the farming industry in Devon has confidence in the Government's policies. That is the only lesson that one can derive from the most interesting figures that my hon. Friend has presented to the House.

Mr. Andy Stewart: Farmers were delighted by the retention of the beef variable premium scheme, but they now find that the Commission is implementing that scheme in a quite different way from that which was outlined by my right hon. Friend in the House. For example, it is limiting the pay-out on certain weights of carcases.

Mr. Jopling: Last week I had a meeting with the Commissioner and told him that this proposal was totally unacceptable.

Mr. Hardy: Is it not astonishing that the Minister of Agriculture, Fisheries and Food appears to be unaware that he is responsible for the direction of British agriculture? It is not good enough for the right hon. Gentleman to stand at the Dispatch Box and airily appear to diagnose the problem without beginning to perceive that he is responsible for providing some of the answers.

Mr. Jopling: The hon. Gentleman must understand that, because this country is part of the Community and of the common agricultural policy, it is not always possible immediately to get exactly 100 per cent. of one's own way. That was certainly the case when the Labour party was in power. I remember seven or eight years ago the then Minister standing at the Dispatch Box wondering what on earth to do about the pig crisis.

Mr. Latham: On the proposed cereal price cuts by the Commission two days ago, will my right hon. Friend say what on earth is going on in this chaotic organisation? Do we, or do we not, have a veto? What will be the price?

Mr. Jopling: I remind my hon. Friend that there is a later question on this matter on the Order Paper. I have read the reports of the Commission's intentions, although I have not yet received formal notification. Clearly, the Commission cannot simply overrule the Council of Ministers, but, in the absence of Council decisions, the Commission's desire to maintain an orderly market is understandable. I do not rule out the possibility of the Council reaching a satisfactory agreement on cereal prices before 1 August.

Mr. John: What effect will the proposed cereal price changes have on agricultural produce? Should not the answer be that there will be no diminution of cereal harvesting, production and surpluses in Europe during the coming season? Will the right hon. Gentleman pledge that

none of the extra VAT devoted to own resources in the legislation introduced last Friday will be spent on agricultural produce?

Mr. Jopling: The hon. Gentleman knows as well as I do that the position agreed with regard to the increase in own resources was that spending on CAP would increase at a slower rate than the rate at which resources were increasing in total.

Mr. Heathcoat-Amory: Is my right hon. Friend aware that this feeble attempt to cut surpluses is resented by those farmers who receive no price support of any type? Does he realise that early strawberry growers, especially around Cheddar, are suffering because dumped foreign fruit has been brought in at below the cost of production? What will my right hon. Friend do to help them? Will he support the British horticulture industry as vigorously as other countries protect their industries?

Mr. Jopling: If my hon. Friend reads *Hansard*, he will know that on many occasions my hon. Friend the Minister of State and I have raised this matter in the Council of Ministers. Two years ago we were getting little support from other member states in resisting the importation of soft fruits of this type from eastern European countries. I am glad to say that many other countries which are facing similar difficulties are moving in behind us to get something done about these damaging imports.

Farming Industry (Young Entrants)

6. **Mr. Colin Shepherd** asked the Minister of Agriculture, Fisheries and Food if he is satisfied with the prospects for young people wishing to enter the farming industry.

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mrs. Peggy Fenner): I am satisfied that opportunities continue to exist for keen and resourceful young people wishing to enter the farming industry as farmers or as agricultural workers. Although the industry is currently facing a period of readjustment, in the longer term the prospects for those engaged in farming are good as home food production will continue to make a vital contribution to the country's economy.

Mr. Shepherd: Is my hon. Friend aware that her confidence in the fact that there are adequate opportunities is not fully shared by young people in the farming sector? Does she agree that, to sustain confidence among those people, it is essential that there are first-class career opportunities? It is important to ensure that those opportunities are visibly sustained and that the Government are seen to take that fact on board. Will my hon. Friend and my right hon. Friend the Minister once again examine the European legislation to ascertain how it might be adapted to our needs to create confidence among young people who are thinking of entering the agriculture industry?

Mrs. Fenner: We have received a number of representations about the provisions in the new EC structures regulation relating to young farmers. We are studying these carefully and shall reach a decision in the context of the new capital grant arrangement. Legislation on those new arrangements will be presented to Parliament shortly.

Mr. Geraint Howells: I am sure the Minister will agree that we must retain our county council smallholdings if we are to help young people entering the farming community. What advice has she or the Government given to county councils which are now selling off their smallholdings?

Mrs. Fenner: We regard local authorities as being in the best position to judge how best to manage their estates. Unfortunately, smallholdings have not generally proved effective in providing that first rung of the ladder, largely because of the absence of further rungs and the difficulty in building up sufficient capital from a relatively small holding.

Mr. Forth: Why should young people be given more encouragement to enter farming than any other industry?

Mrs. Fenner: I hope that my hon. Friend will accept that in the agriculture industry we are giving the possibility of apprenticeships and what I regard as opportunities—no more and no less.

Mr. Bermingham: Does the Minister agree that, no matter how we do it, we must encourage an increased number of young people to go in to, and stay in, the agriculture industry? Could this not be best effected by assisting in the creation of more small tenanted farms? Has not the time come to look again at tenancies and how to encourage their creation?

Mrs. Fenner: One of the principal objectives of our Agricultural Holdings Act, which will be familiar to the hon. Gentleman, was to encourage landlords to create more new tenancies, but this must be given a little more time. We hope to do this by removing one of the major disincentives to letting, which is the excessive security of tenure created by the family succession provisions in the Agriculture (Miscellaneous Provisions) Act 1976, which was passed by a Labour Government.

Sir Paul Hawkins: Does my hon. Friend remember that recently we passed the Agricultural Holdings Act to try to put up a ladder to encourage people to take tenancies of farms? Therefore, how can it be sensible to cut away the lowest rung by allowing county councils to sell off smallholdings?

Mrs. Fenner: I can only reiterate to my hon. Friend that, although the use of those smallholdings as a rung has been much advertised, all the figures show that they have not proved to be effective.

Mr. Home Robertson: Is the hon. Lady aware that the incentives to landlords, about which she has been speaking, have not achieved an increase in the number of farms to let? Following the consultations that she has just mentioned, will the Government actively support article 7 of the draft European structure directive, which is a measure which could provide a genuinely useful package to help young people set up in the farming industry?

Mrs. Fenner: I hope that the hon. Gentleman was listening when I said that, yes, we have had many representations on the matter, that we are looking at it in the context of the capital grant arrangements, and that legislation will go through Parliament. I hope that, as a landlord, the hon. Gentleman will set a good example by offering tenancies.

Pressure Stock Licensing

7. **Mr. Kennedy** asked the Minister of Agriculture, Fisheries and Food what representations he has received on the question of pressure stock licensing; and if he will make a statement.

The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. John MacGregor): I have had representations for some easement of the pressure stock licensing rules from fishermen and vessel owners excluded from the pressure stocks. I have also received a number of representations for the tightening-up of the scheme. I have already announced a review of the arrangements for the pelagic fisheries in advance of the full review due next year.

Mr. Kennedy: Does the Minister accept that the decision, which he announced through a written answer on Monday of this week, whereby the three vessels from the Nethelands could gain their licences by means that are in total contravention of the rules — the Minister has confirmed that — is disgraceful? On top of that, they have been allowed respective catches of almost 3,500 tonnes per vessel. Will the Minister confirm that the review that he has announced will try to correct what is clearly a thoroughly shambolic, unfair and discriminatory state of affairs, which he has described as a regrettable misunderstanding and which, in any Minister's language, is fairly strong?

Mr. MacGregor: It is important to recognise that there have been sizeable changes since 1980 in the structure of the pelagic fleet and in the nature of the fishing opportunities available. Therefore, our review is timely. In particular, the number of freezer trawlers has dropped from 26 in 1980 to only one last year. Many of them came out of fishing without the benefit of decommissioning grants. It is doubtful whether the number was expected to drop so fast when the original decision was taken in 1980. It is doubtful, too, whether we should have such a low freezer trawler capacity. That is why we should have a review and why that issue should be considered within the review. The quota amounts for the three trawlers — which are not Netherlands-owned, but British-owned — are the same as purse-seiners would get.

Mr. Harris: Can my hon. Friend give an estimate of how long the review of pelagic licensing arrangements will take? Can he explain how the mistake of granting licences to what are, in effect, foreign vessels came about?

Mr. MacGregor: At this stage I cannot say how long the review will take. I must repeat that the trawlers are not now foreign vessels. I have been given assurances by the owner of two of them that it is intended increasingly to employ British crews. In regard to the error, it is a complicated matter. We are considering it at the moment, but we have made it clear that the licences that have been granted are provisional, pending the outcome of the review.

Mr. Donald Stewart: While these may not be foreign vessels, they have no historic right to the licences. Fishermen understand that mistakes can occur, and they respect the way in which the mistake was acknowledged. What they find intolerable is that the trawlers will be allowed to continue fishing. Will the Minister revoke the licences immediately?

Mr. MacGregor: No. On the last point, I have nothing to add to the written answer to my hon. Friend the Member for Ryedale (Mr. Spence) on Monday. It is important for us all to reflect on whether there have been changes since 1980 and, therefore, whether it is desirable to make changes in our own arrangements. I am not prejudging that issue. Obviously there have been changes since 1980. Therefore, a review is now sensible.

Grain Storage

8. **Mr. Tom Cox** asked the Minister of Agriculture, Fisheries and Food what is the present tonnage of grain in storage in the United Kingdom.

Mr. MacGregor: There were 3·23 million tonnes of wheat and 0·95 million tonnes of barley in intervention stores in the United Kingdom on 15 June 1985. Comparable information is not available on stocks held on farms or in private stores.

Mr. Cox: I note the reply, but I am sure the Minister is aware of the problems caused by the storage of this vast amount of surplus grain and of the cost of storage. As we shall shortly have this year's harvest to add to the existing surplus, what is the thinking of the Government about the long-term production of grain in the United Kingdom? For example, will quotas be introduced?

Mr. MacGregor: It is important to recognise that the industry found sufficient storage for the record harvest of last year. The Intervention Board for Agricultural Produce has had a very encouraging response so far to the recent tenders for new storage for the early part of the new season. In regard to the general policy on cereals, there are a host of reasons why, if it can be achieved, the policy that we have been pursuing in the Community for price reduction on a longer-term basis for cereals is correct. We are considering all the alternatives. Nevertheless, it remains the case that severe price restraint on support prices for cereals must remain an important part of any policy for some time.

Mr. Budgen Will my hon. Friend confirm that the reduction in price of 1·8 per cent. may well lead to extra production and that the only way to use the price mechanism to reduce production is to reduce prices much more substantially?

Mr. MacGregor: My hon. Friend will know that we argued, without in the end enough support, for full application of the guaranteed threshold this year, which would have led to a reduction of 5 per cent. I understand my hon. Friend's concern about the cost of dealing with the disposal of surpluses in the Community. He will know that a policy of price reduction in cereal support prices helps to bring down the cost of the regime.

Mr. J. Enoch Powell: What proportion of this grain is stored in Northern Ireland, and are the Government taking steps to increase that proportion?

Mr. MacGregor: I do not have the figures showing the proportion stored in Northern Ireland. I shall write to the right hon. Gentleman about the matter.

Food Labelling

9. **Mrs. McCurley** asked the Minister of Agriculture, Fisheries and Food when he expects to conclude the

consultation on voluntary nutritional labelling; and when he expects to receive the surveys carried out by the consumer organisations.

Mrs. Fenner: Comments from many interested parties on the draft guidelines for the voluntary nutrition labelling of food have been received and are being considered. The Consumers Association, the National Consumer Council and my Department expect to have the results of the consumer survey available shortly.

Mrs. McCurley: I thank my hon. Friend for that reply. How much emphasis will be placed on the results of the survey? If the survey shows the need for better nutritional labelling and for fat information, will she take note of that, and will it affect legislation?

Mrs. Fenner: I assure my hon. Friend that comments arising from the draft nutritional guidelines, together with the results of the consumer survey and points that have arisen in consultations with manufacturers and retailers, will be taken into account in producing revised guidelines.

Mr. John: One of the most important aspects of nutritional labelling is the sugar content of any food. As the Department does not propose to show that separately, will the Minister undertake that, if the survey provides evidence that such labelling would be valuable, the Department will change its mind?

Mrs. Fenner: The question of the labelling of fibre, sugar and salt content has particularly been brought to our attention. The labelling of those foods is allowed in the present draft, but we shall consider, in the light of comments, whether they need to be part of the basic list.

Agricultural Chemicals

10. **Mr. Kenneth Carlisle** asked the Minister of Agriculture, Fisheries and Food whether he is satisfied with progress in the development of safer techniques for the application of agricultural chemicals.

Mrs. Fenner: It is our aim to ensure a continuous transition to a higher level of safety in pesticides application. My Department, together with the Agriculture and Food Research Council, is continuing to develop and evaluate various techniques designed to control spray composition and deposition and improve application safety and efficiency. These include rotary atomisation, electrostatic charging, metering devices, the use of air deflection and droplet sizing.

Mr. Carlisle: Does my hon. Friend agree that the massive increase in the use of agricultural chemicals in recent years has had the severest effect on wildlife? While I welcome all the research that she has announced, may I ask whether she is aware that we have a duty to see that this research is carried through to success and is applied rapidly?

Mrs. Fenner: My hon. Friend will be aware that the passage of the Food and Environment Protection Bill will be a major step forward in that it will provide powers to control the use of pesticides. That will be done through regulations, codes of practice and information provided with each pesticide. I am confident that we can develop a procedure for assessing the safety of alternative application systems.

Mr. Home Robertson: Is the Minister aware that safer techniques are of no earthly use unless they are put into effect? Will she accept the need for appropriate training for farm workers and others in the industry? Will the new regulations on pesticides cover a proper training programme for the people concerned?

Mrs. Fenner: In Committee on the Bill we have reached a good agreement on training and certification. During the continued passage of the measure—we hope next week — those matters will become even more evident.

Food Labelling

11. **Mr. Sumberg** asked the Minister of Agriculture, Fisheries and Food what further consultations he plans and with whom before issuing regulations on the fat labelling of foods.

Mrs. Fenner: We shall consult widely on any proposals for legislation on food labelling, as required by section 118 of the Food Act 1984.

Mr. Sumberg: Bearing in mind the wide variety of fat blends used by the food industry, does my hon. Friend agree that the balance to be struck with these regulations is that of informing the consumer without imposing unnecessary burdens on the food industry?

Mrs. Fenner: Yes, of course, and we are, in relation to labelling, responding to the recommendations of the Committee on Medical Aspects of Food.

Mr. Meadowcroft: Has the Minister seen the well-researched article in *The Observer* of 26 May, which suggests that the Government's proposals are totally inadequate in relation to food labelling and will not distinguish between the nutritional value of a Mars bar, with 67 per cent. sugar, and puffed wheat, with 1·7 per cent.? Surely, in addition to fat labelling, it is important to issue details of sugar content.

Mrs. Fenner: I have just said in answer to a question that in the nutritional labelling, which is to be voluntary, we shall look at whether fibre, sugar and salt content should be part of the basic list—that which we require if nutritional labelling is to be done at all.

PRIME MINISTER

Engagements

Q1. **Mr. Barron** asked the Prime Minister if she will list her official engagements for Thursday 20 June.

The Prime Minister (Mrs. Margaret Thatcher): This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in this House, I shall be having further meetings later today.

Mr. Barron: Will the Prime Minister, or one of her Ministers, instruct the National Coal Board to accept the recommendations of the report of the all-party Committee on Employment on the dismissal of National Coal Board employees, and if not, why not?

The Prime Minister: I have read the full report of the Select Committee on Employment. Nowhere in that report does the Select Committee condemn the tactics of violence and intimidation used against working miners. The National Coal Board has just issued a statement——

An Hon. Member: Shabby.

The Prime Minister: Yes, I agree that it was shabby that the Select Committee did not in any way condemn the tactics of violence and intimidation used against working miners.

The National Coal Board has just issued a statement:

"The board will, of course, consider with care the comments and recommendations of the Committee, which they note were not unanimous. Area management have continued the board's policy of reviewing dismissal cases. At the time the board gave evidence to the Committee 1,013 miners had been dismissed, of whom 414 have been re-employed as a result of this policy, including 41 re-employed since the board gave evidence. This policy will continue. Any action the board might take as a consequence will, of course, in no way diminish the right of any person who has been dismissed to put forward his case to an industrial tribunal."

Q2. **Mr. Gregory** asked the Prime Minister if she will list her official engagements for Thursday 20 June.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Gregory: Will my right hon. Friend hold discussions about the £150 million which it has been estimated by the Audit Commission has been wasted by bad management in polytechnics and higher education, so that some 75,000 students may enrol in the future?

The Prime Minister: I noted that report this morning, with its very severe strictures. My right hon. Friend the Secretary of State for Education and Science has invited the local authority associations to join the Department in an urgent study of efficiency in non-advanced further education. If we can save this money it can be used to better the further education or other needs of local authorities. I hope that local authorities will take this matter very seriously indeed, because it is a waste of ratepayers' money.

Mr. Kinnock: This week the Government announced changes which will reduce child benefit by £250 million and take housing benefit away from 500,000 households. Is this the kind of policy that the Prime Minister had in mind when she said almost exactly two years ago that this was

"evidence of our commitment to the family" — [*Official Report*, 28 June 1983; Vol. 44, c. *49*.]

The Prime Minister: As the hon. Gentleman is aware, we have put great emphasis on raising the tax thresholds, which are of particular benefit to families, and have raised income tax thresholds far more than his Government ever did. May I also point out that housing benefit, which cost £4·2 billion this next year, will go up after my right hon. Friend's announcement to £4·5 billion next year.

Mr. Kinnock: Does all that not occur merely because of the way in which the Government have pushed up unemployment and the rate of inflation? Does the answer that the Prime Minister gave offer any comfort to the wife of an employed man with two children who has had a significant loss as a result of the Government's refusal to uprate child benefit in line with inflation? Which households will benefit from 500,000 households losing their housing benefit?

The Prime Minister: The right hon. Gentleman is aware that the working population will have to find some £2 billion extra as a result of the uprating that my right hon. Friend announced. The right hon. Gentleman never thinks of where the money is to come from. With regard to child benefit, extra amounts will be going to working families on low incomes. I should have thought that he would welcome that.

Mr. Kinnock: When the Prime Minister is taking £250 million away from families and giving only £29 million back to them, it is clear that her targeting is not working well. We wonder where the money is coming from. We also wonder where it is going. Will it go again in tax cuts to the richest in our society?

The Prime Minister: An extra £2 billion is being taken out of the national income away from contributors and taxpayers to give extra social security benefits to people, many of whom are in need. Having read what the right hon. Gentleman said about SERPS, I do not believe that he is in any position to put accurate questions about social services.

Mr. Ashby: Is my right hon. Friend aware that, at a time when an aircraft has been hijacked by Shi'ite Moslems, a demonstration was taking place on the streets of London by supporters of those hijackers? When will we ban such obscene demonstrations?

The Prime Minister: As my hon. Friend is aware, a new Public Order Bill will be presented to Parliament in the next Session. We must weigh the right of people to demonstrate with the fact that it is a criminal offence to incite to violence. That, as my hon. Friend is aware, is a matter for the police. We condemn all those who incite others to violence on the streets of London and hope that the police will find sufficient evidence on which to prosecute.

Mr. Hickmet: Is my right hon. Friend aware of the growing anxiety over Japan's trading policies with this country, Europe and the United States? At the forthcoming conference in Milan, what steps will she be asking her European partners to take to deal with non-tariff barriers, Japan's policy of hijacking international contracts by the dumping of credit and predatory pricing, and by keeping the yen artificially low?

The Prime Minister: As my hon. Friend is aware, we have condemned all those matters. It would help most immediately if Japan did not keep the yen artificially low, thereby helping its competitiveness in other markets. We shall be raising the matter at Milan. My hon. Friend is aware of how seriously I take those issues. We are taking action against dumping. We have taken action against some Japanese dumping. I shall be raising the wider question at the Milan European Council.

Dr. Owen: Does the Prime Minister accept that family support has been a social policy that has gone across the income levels for many decades? We are in danger of losing sight of the importance of the family if we concentrate family support only on those most in need. Family costs are high for the average taxpayer.

The Prime Minister: The right hon. Gentleman cannot have been listening to my right hon. Friend the Secretary of State for Social Services. Everyone with a family will continue to receive child benefit. The standard rate is £7 per child per week. It partly compensates for the removal of the child allowance. Every family will continue to receive it, but worse-off families will receive more. We cannot give more to some families without looking at child benefit over the whole scheme. The policy that my right

hon. Friend is pursuing is right. The right hon. Gentleman is trying to give the impression that child benefit is not going to every family. He is wrong.

Q3. **Mr. Haynes** asked the Prime Minister if she will list her official engagements for Thursday 20 June 1985.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Haynes: Is the Prime Minister aware that in the pre-election period of 1979 she said that if her party was elected to power it would deal with law and order? Is she further aware that this Government have dramatically increased — *[Interruption.]* — the number of police officers, their earnings and their equipment — [HON. MEMBERS: "Hear, hear."]

Mr. Speaker: Order. I, too, want to hear the question.

Mr. Haynes: Is the Prime Minister aware that crime figures are reaching a disgraceful level? I, my constituents and my party, want to know what this Government intend to do about the present crime levels.

The Prime Minister: The hon. Gentleman has given some very good examples of what this Government have been doing and will continue to do. I only wish that his party would give its support to the police in the performance of their duties, as this party does.

Sir Edward Gardner: Is my right hon. Friend aware of the warning by the chief agent of the United States drug enforcement administration — who is currently in this country, having come from Bogota in Columbia — that about 20 tonnes of cocaine are believed to be on their way to this country from South America and that Columbian drug gangs are already established here? Will she give the firmest assurance that neither manpower nor money will be spared to meet and defeat this threat to the health and wellbeing of the people of this country?

The Prime Minister: I am grateful for the support of my hon. and learned Friend in this matter. We are aware of that special cocaine danger. A special team was established last autumn and another team will be formed shortly. We are also taking steps to strengthen international co-operation with both producer and transit countries to reduce trafficking in cocaine and other controlled drugs. Both police and Customs officers will respond promptly to any specific information that they receive about cocaine trafficking. Both services will continue to give drug misuse the highest priority and, if need be, we shall spend more money to track down those responsible for these terrible offences.

Q4. **Mr. Cohen** asked the Prime Minister if she will list her official engagements for Thursday 20 June 1985.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Cohen: When will the Government put up the money to settle the teachers' pay dispute? Does not the right hon. Lady not realise that she will not get away with underpaying them or with the sleight-of-hand deal made for the nurses, where the service actually suffered? The teachers are determined not to be done down. Are not the Government to blame for the disruption in our schools?

The Prime Minister: I do not accept in any way what the hon. Gentleman has said. The striking teachers are taking it out on the children in their desire to pursue claims for increased pay. Most of us, and many, many teachers, totally and utterly condemn that. I repeat what I have said to the hon. Gentleman, that we do not think that we can ask the taxpayer to pay any more towards teachers' salaries this year in total. If the teachers will consider a proper contract and appraisal of performance and restructuring next year, we shall be prepared to consider it. I urge them to get into negotiations. Alternatively, they have been offered arbitration.

Mr. Neil Hamilton: Notwithstanding the tiny legal difficulty that has arisen in the past week, will my right hon. Friend confirm that the Government will press ahead with the privatisation of British Airways and not be distracted by sideshows in foreign courts.

The Prime Minister: I can say nothing about court actions. It is our intention to privatise British Airways as soon as we can.

Q5. **Mr. Alex Carlile** asked the Prime Minister if she will list her official engagements for Thursday 20 June 1985.

The Prime Minister: I refer the hon. and learned Gentleman to the reply that I gave some moments ago.

Mr. Carlile: Why has the county of Powys been singled out and punished as the only county in Wales not entitled to money from the European social fund?

The Prime Minister: That is a matter for the European social fund. If the hon. and learned Gentleman is correct in what he says, I am sure that he will have taken the matter up in the appropriate quarter.

Mr. Dixon: On a point of order, Mr. Speaker. I know that you always try to be fair, but at Prime Minister's Question Time today only one Labour Back Bencher was called to ask a supplementary on any main question and on Question 2 two Tory Members were brought in one after the other, followed by the right hon. Member for Plymouth Devonport (Dr. Owen).

Mr. Speaker: I am glad that the hon. Gentleman has mentioned that. I think that the whole House agrees that I have an obligation to keep a balance. If the Leader of the Opposition gets up more than once, as is his right, I take that into account in calling the other side.

Mr. Kinnock: Further to that point of order, Mr. Speaker. I naturally recognise and completely respect your authority, Mr. Speaker. It might have been useful if I had been informed earlier that the number of interventions that my hon. Friends would be permitted to make would vary according to the number that I made. *[Interruption.]* I am aware that you, Mr. Speaker, have no control over the Prime Minister's evasions. It is because of her continual taste for dodging that I am obliged from time to time to get in more than once. *[Interruption.]* I hope that it will be noted that the right hon. Lady has now taken to heckling as well as evasion.

Mr. Speaker: The whole House will understand that Front Benchers have their rights, but, equally, I am here to look after the interests of Back Benchers. In answer to the hon. Member for Jarrow (Mr. Dixon), who raised the matter first, it depends to a very large extent on how the questions fall on the Order Paper. I hope that the House

does not think it unfair that Members with an early place in Prime Minister's questions should have some preference to be called.

Mr. Willie W. Hamilton: Further to that point of order, Mr. Speaker. I have been in the House a long time, but I have never known a Speaker to make the kind of ruling that you have made today. I stand corrected if that is not so, but I believe that it is true. Last week, or the week before when two Tory Members were in the first six or seven places or just missed, you made a point of calling them for earlier supplementaries. The same has happened today with another Tory Member. The impression is being created that there is a bias — [HON. MEMBERS: "Withdraw!"] If we count the time taken in the 15 minutes available for Prime Minister's questions, I believe we shall find that the Prime Minister takes up 10 minutes.

Several Hon. Members *rose*——

Mr. Speaker: Order. I will take all the points of order together.

Mr. Faulds: Further to that point of order, Mr. Speaker——

An Hon. Member: The hon. Gentleman has forgotten his lines.

Mr. Faulds: There is no risk of that, boyo. I was pausing so that I could employ careful phraseology, so as not to upset you, Mr. Speaker. Under your unlamented predecessor, when the right hon. Lady was the Leader of the Opposition, she frequently, in the phrase that I used to your unlamented predecessor, took three bites at the cherry, and that made absolutely no difference to the number of her supporters who were called in Prime Minister's Question Time.

Mr. Heffer: On another point of order, Mr. Speaker.

Mr. Speaker: Will the hon. Gentleman wait? It is easier to take points of order on the same subject together.

Mr. Hayward: Further to that point of order, Mr. Speaker. A few months ago I said that the Leader of the Opposition uses four times as many words as did the Prime Minister when she was Leader of the Opposition. Is that not the direct cause of the complaint of the hon. Member for Jarrow (Mr. Dixon)?

Dr. M. S. Miller: Further to that point of order, Mr. Speaker. May I express the hope that you will not stick to the ruling that you gave in regard to the battle between the Prime Minister and my right hon. Friend the Leader of the Opposition? It is a one-to-one battle. They are equal at least in numbers—my right hon. Friend is well ahead in terms of content. In view of the equality of numbers, surely other supplementary questions should be divided equally between the Government and the Opposition.

Mr. Speaker: Perhaps I can clear the matter up. It is a matter of judgment. There are more Conservative Members than Opposition Members — *[Interruption.]* Order. As for the accusation of bias, which is unworthy of the hon. Member for Fife, Central (Mr. Hamilton), Prime Minister's Question Time is an opportunity for Back Benchers, as well as Front Benchers, to put their questions to the Prime Minister twice a week. I do not think that it is biased or unfair if I take account of the balance of numbers in the House at Prime Minister's Question Time.

Mr. Shore: Further to that point of order, Mr. Speaker. With respect, we understand that the handling of questions entails matters of judgment, which you properly exercise. However, you have today laid down what are regarded by many right hon. and hon. Members as two precedents. One is that you are guided by the distribution of seats in the House as between Government and Opposition. I have never heard that stated before. I believe that it is a precedent. If I am wrong, I hope that you will correct me.

The other precedent, which I think has been announced during this exchange, is that if my right hon. Friend the Leader of the Opposition asks the Prime Minister several supplementary questions—that is by no means unusual and happened when the Prime Minister was Leader of the Opposition — the right hon. Lady, having had the opportunity to reply to those questions and, admittedly, time having been taken by them, time should be taken from the Opposition and the Government side should be compensated in terms of being able to ask more supplementary questions. Surely that, too, is a precedent and not just a matter of judgment.

Mr. Speaker: Order. There is no precedent in this. I am approaching my second anniversary and I have not changed my practice since I began. As I have said, it all depends on how the questions fall on the Order Paper. There have been days when those on the Opposition Benches have been called for more supplementary questions because the primary questions have emanated from the Government side. I assure the House that there is no question of a change in practice. The House will accept that my practice at Prime Minister's questions is not the same as questions to a departmental Minister, when I tend to call one for one. But even that can vary, as it did today during agriculture questions, when there were more Government Members rising to ask questions than Opposition Members. I take that into account, too, as I did during Scottish questions yesterday, when I did the reverse.

Mr. Williams: Further to that point of order, Mr. Speaker. Could you help the House by saying when that principle has previously been put before the House?

Mr. Speaker: I do not think that it has. It is the first time that I have been asked about the principle.

Mr. Maxwell-Hyslop: Further to that point of order, Mr. Speaker. It is obvious that Opposition Back-Bench Members are dissatisfied with the extent to which the Leader of the Opposition monopolises Prime Minister's Question Time. Surely that is a matter which the Opposition should resolve at their private party meetings, and not under the spurious guise of points of order.

Mr. Speaker: Order. We have business questions to follow, which is an opportunity for Back-Bench Members to ask questions. We also have a statement to deal with and an important debate in which many hon. Members wish to take part. I am prepared to continue to answer this matter, but I assure the House that I have not changed my practice from the beginning. *[Interruption.]* I ask the House to allow me to finish. At Prime Minister's questions, the Speaker must balance the rights of Front Benchers to ask questions against those of Back Benchers. That is what I have done, and what I think the House would expect me to do.

Several Hon. Members *rose*——

Mr. Williams: Further to that point of order, Mr. Speaker. You said in response to an earlier intervention that you had not changed anything. In response to me, you said that you had never stated the practice to the House before because you had never been asked before. Since you have never stated it to the House before, will you tell us when a previous Speaker has?

Mr. Speaker: It is just possible that no previous Speaker has been asked, either.

Mr. Hardy: Further to that point of order, Mr. Speaker. In the context of your earlier ruling, will you explain to the House why the Social Democratic party is called as often as it is?

Mr. Speaker: Yes, I can explain that. Prime Minister's questions provide an opportunity for the minority parties to have their say. *[Interruption.]* I have an obligation to look after minorities as well as majorities.

Mr. Anderson: Further to that point of order, Mr. Speaker. Are we not running into the danger that the two propositions mentioned by my right hon. Friend the Member for Bethnal Green and Stepney (Mr. Shore) may gell into precedents, unless there is cooler reflection on what has happened today? If, for example, the first of the two propositions — that hon. Members are called according to the balance of parties in the House—were extended to Welsh and Scottish Question Times, when the Tory party is in the minority, it may lead to consequences which the Opposition would not want. We would still want a balance. Before there is a firm gelling of these precedents, can the matter be considered rather more coolly?

Mr. Speaker: I shall consider the matter coolly. The hon. Gentleman, who is present at Welsh questions, will find that more Welsh Members from the Opposition side are called than from the Government side because there are more of them. I shall, however, reflect on the matter.

Mr. Leighton: Further to that point of order, Mr. Speaker. Would you help the House by explaining a little more the doctrine of hon. Members being called pro-rata to representation in the House.

Mr. Speaker: Order. I have said that I will reflect on this.

Mr. Heffer: On a different point of order, Mr. Speaker. During Prime Minister's Question Time the hon. Member for Leicestershire, North-West (Mr. Ashby) said that Shi'ites were marching in our streets today. I wish to point out to the hon. Gentleman—I am sure that you will agree with me, Mr. Speaker—that the rights of all people in Britain must be protected. The Moslems who were marching today were Iranians protesting at the Ayatollah's regime and demanding freedom and democracy in that country. Have we reached the stage——

Mr. Speaker: Order. What is the point of order for me?

Mr. Heffer: I am coming to that, Mr. Speaker. You are the Speaker of the House of Commons and the protector of the rights to democracy in Britain. Will you make it clear to all right hon. and hon. Members that people outside the House have rights, and that they must be protected from those who would wish to ban every organisation with whose aims they do not agree?

Mr. Speaker: Order. The hon. Gentleman knows that every hon. Member who asks a question or makes a statement in the House must take responsibility for it. It is not a matter for me.

Mr. Faulds: Further to the earlier point of order, Mr. Speaker. I have think the House is extremely grateful that you are prepared to reflect on what is a disturbing——

Mr. Speaker: Order. I have said that I shall reflect. I do not believe that any more points of order arise.

Mr. Faulds: May I make a comment that would help you, Mr. Speaker?

Hon. Members: No.

Mr. Speaker: Order. I do not believe that it would help me.

Business of the House

3.46 pm

Mr. Neil Kinnock (Islwyn): May I ask the Leader of the House to state the business for next week?

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): Yes, Sir. The business for next week will be as follows:

MONDAY 24 JUNE — Opposition Day (16th Allotted Day). There will be a debate on an Opposition motion entitled "The failure of Government policies to meet Britain's skill needs."

Motion on the European Communities (Definition of Treaties) (Third ACP-EC Convention of Lomé Order. Relevant EC documents will appear in the *Official Report*.

The Chairman of Ways and Means has named opposed private business for consideration at seven o'clock.

TUESDAY 25 JUNE—Second Reading of the European Communities (Finance) Bill. Command Papers 9548 and 9549 and EC Document 5046/85 will be relevant.

Consideration of Lords amendments to the Representation of the People Bill.

WEDNESDAY 26 JUNE—Remaining stages of the Food and Environment Protection Bill *[Lords]*.

Motions on the Northern Ireland Act 1974 (Interim Period Extension) Order and the Northern Ireland (Emergency Provisions) Act 1978 (Continuance) Order.

THURSDAY 27 JUNE—Opposition Day (17th Allotted Day). Until about seven o'clock a debate entitled "Cuts in child benefit" followed by a debate entitled "Cuts in housing benefit." Both debates will arise on Opposition motions.

Motion on the Army, Air Force and Naval Discipline Acts (Continuation) Order.

FRIDAY 28 JUNE—There will be a debate on policing in the Metropolis on a motion for the Adjournment of the House.

MONDAY 1 JULY — Until seven o'clock, private Members' motions.

Consideration in Committee of the European Communities (Finance) Bill.

[European Community Documents to be debated:
Monday 24 June (Debate on Lomé III Order)
Relevant documents

(a) 9910/82	*Commission Memorandum on Community's development policy*
(b) 4126/83	*Relations with ACP States and the OCT-STABEX 1981*
(c) 10505/83	*Relations with ACP States; Mining Sector*
(d) 7382/84	*Commission Communication to the Council on the European Community and Africa*
(e) (Unnumbered)	*Special Report of the Court of Auditors on the co-ordination of Community aid to third countries*
(f) 10677/84	*Relations with ACP States and the OCT-STABEX; 1983*
(g) 6380/85	*Draft Council and Commission Decision on conclusion of the third ACP-EC Convention of Lomé*

Relevant Reports of European Legislation Committee
(a) HC 34-iv (1982-83), paragraph 2 and HC 34-xi (1982-83), paragraph 2.
(b) HC 34-xiii (1982-83), paragraph 3.
(c) HC 78-xiii (1983-84), paragraph 2.
(d) HC 78-xxxiv (1983-84), paragraph 5.
(e) HC 5-ii (1984-85), paragraph 3.
(f) HC 5-ix (1984-85), paragraph 3.
(g) HC 5-xxi (1984-85), paragraph 8.

Tuesday 25 June (Debate on EC (Finance) Bill)
Relevant documents

Cmnd 9548	*Inter-Governmental Agreement on payments to finance the 1985 General Budget*
(h) Cmnd 9549	*Revised text for a Council Decision on Own Resources (previously an unnumbered EC document)*
(h) 5046/85	*Communication on the calculation of the corrective mechanism applying to the United Kingdom under the Own Resources Decision*

Relevant Report of European Legislation Committee
(h) HC 5-xix (1984-85), paragraph 1.]

Mr. Kinnock: I am grateful to the right hon. Gentleman. First, the Government have avoided giving time for a debate on the closure of skillcentres, despite our many requests. Will they now give time for a debate on the youth training scheme in view of the fact that we learnt this week that less than half of the youngsters are now securing jobs when they finish their time in the youth training scheme?

Secondly, the right hon. Gentleman will have seen yesterday's report from the Select Committee on Employment, which calls for a review of the cases of miners who lost their jobs as a consequence of the coal industry dispute. In the interests of natural justice and good industrial relations in the coal mining industry, will the right hon. Gentleman arrange for a debate on that report at the earliest opportunity?

Thirdly, in view of the fact that the European Communities (Finance) Bill is a measure of major constitutional significance, may I ask the right hon. Gentleman to arrange the debate on Third Reading on a separate day so that this important question can be further debated in prime time?

Finally, in the light of the disturbing findings of last week's report from the Government's own adviser, the Advisory Board for the Research Councils, that as a result of the squeeze on the science budget British firms are having to cut back on research that is essential to the creation of new industry, will the right hon. Gentleman arrange for an urgent debate on what the board calls the "serious underfunding" of scientific research in Britain?

Mr. Biffen: We might consider through the usual channels what the right hon. Gentleman raised in respect of the YTS, but I should have thought that at least some of the points could be made in the debate that is proposed for Monday.

Undoubtedly the report of the Select Committee on Employment is highly contentious. It caused a good deal of division in the Committee. At this stage, we should await the Government's response to it as a first step.

With regard to having a Third Reading debate on the European Communities (Finance) Bill, which will be a free-standing matter, I take note of what is suggested by

[Mr. Biffen]

the right hon. Gentleman. I very much hope that we can meet him on that point. He will recollect that only last Friday we had a debate on science, which could cover the funding of science. I take note of what he says about that, but I cannot be optimistic about a further debate on that topic.

Mr. T. H. H. Skeet (Bedfordshire, North): I hope that my right hon. Friend has read Sir John Kendrew's report on particle physics and CERN. In view of the fact that it will create a substantial precedent, and will also lead to many complications, I hope that my right hon. Friend will arrange a debate in which those issues can be thrashed out.

Mr. Biffen: I know that my hon. Friend has taken an interest in CERN over almost as many years as he and I have been in the House. I cannot be too generous in my response for the same reason that I profered to the Leader of the Opposition, that we debated the topic last Friday. However, I hope that my hon. Friend will have luck in pursuing it through his own free enterprise methods.

Mr. A. J. Beith (Berwick-upon-Tweed): Will the Leader of the House do something about the fact that prayers on two major issues in the name of my right hon. and hon. Friends are awaiting debate? They concern the immigration rules affecting the Tamils and rate capping. Is the right hon. Gentleman deterred in any way by the fact that the Labour party has not officially seen fit to add its name to those motions? Does he accept that in a variety of ways Labour Members have said that they, too, wish to see those debates take place?

Mr. Biffen: It is not appropriate for me to comment on the relationship between the hon. Gentleman and Labour Members. However, I am conscious of the fact that the business for next week which I have just announced does not enable debates on the prayers that he mentioned to take place. Perhaps we can keep in touch on the matter.

Mr. Robert Rhodes James (Cambridge): Has my right hon. Friend's attention been drawn to the inordinate length of ministerial and Opposition Front-Bench speeches in the debate last Friday? After two hours on what was a private Members' day only three Back-Bench Members had spoken. A considerable number of hon. Members on both sides of the House were unable to participate in the debate. Will my right hon. Friend take that carefully into account when discussing these matters through the usual channels?

Mr. Biffen: My hon. Friend, I am sure in a good-natured and wholly unintended way, is mildly misleading. In fact, last Friday was a day for Government business, not a private Members' day. I take note of what he says about ministerial answers being longer than he would wish, but I hope that they made up in quality for what they strained in length.

Dr. Jeremy Bray (Motherwell, South): Is the Leader of the House aware that it was because the Government put down a science policy debate for a Friday that many hon. Members were unable to take part in it, despite the fact that on the previous Friday there had been a very large attendance in the House? Is he further aware that the Kendrew report on particle physics had not been published last Friday, that it contains major recommendations on the balance of research funding, and that it makes serious criticism of the inadequacy of the Government's research funding?

Mr. Biffen: I am grateful to the hon. Gentleman for confirming that when important items of business are debated on a Friday the House is very well attended. I have to accept that the report to which he referred was published after the debate took place, but that does not alter the fact that in more general terms the subject has been recently debated. I should be misleading the House if I promised the prospect of an early repeat of that debate.

Mr. John Watson (Skipton and Ripon): Can my right hon. Friend confirm that so far this Session we have spent 41 hours talking about Scotland, 18 hours talking about Wales and no hours talking about Yorkshire? Which part of Britain does he believe to have benefited most?

Mr. Biffen: I shall not answer that question, because I know that every hon. Member has already formed his own judgment.

Mr. Dick Douglas (Dunfermline, West): Will the Leader of the House reflect upon the answer that he gave to my right hon. Friend the Leader of the Opposition about the report of the Select Committee on Employment? There was a quick response to the report on drugs by the Select Committee on Home Affairs, so can we expect the sponsoring Minister to come to the House on Monday and give a clear indication of the Government's response to this important report? Many of my constituents have been out of work for over a year because they were dismissed by the National Coal Board. In Scotland, 203 miners have been dismissed, many of them for breach of the peace offences that involved small fines or no fines. May we have an assurance that the Government will make a statement that justice will be done?

Mr. Biffen: As I am sure the hon. Gentleman will have observed, this is a highly contentious report which has sharply divided the Select Committee. None the less, I shall ensure that his request for an early statement is brought to the attention of my right hon. Friend the Secretary of State for Energy.

Mr. Teddy Taylor (Southend, East): In view of the information in last Friday's *Hansard* that exports of cheap food to Russia have again broken all previous records and that they have increased by 1,000 per cent. since the Government came to power, will my right hon. Friend be willing to postpone next Tuesday's debate on the European Communities (Finance) Bill until we receive an assurance that the huge additional public spending by the European Community will not be used to finance the Soviet war machine?

Mr. Biffen: I am not disposed to rearrange the business that I have just announced. I am certain that my hon. Friend will be only too able to make at great length the very pithy points that he has just presented.

Mrs. Renée Short (Wolverhampton, North-East): May I draw the attention of the Leader of the House to the fact that the Select Committee's report on the misuse of hard drugs was published today? In view of the report in today's edition of *The Guardian* that the Prime Minister intends to take command of the drugs campaign — *[Interruption]*. I am very pleased that the Prime Minister is to take an interest in this matter. As she seems to think

that co-ordinating committees will solve the problem, whereas additional resources ought to be provided in every region of the country so that the skilled advice and care that is needed can be made available, may we have a debate on this important matter before the Secretary of State's response is received, because that may take months?

Mr. Biffen: The hon. Lady will not expect me to comment, either charitably or otherwise, on what appeared in *The Guardian*, but I shall most certainly draw to the attention of my right hon. Friend the Secretary of State for Social Services the suggestion that the report of her Committee should be debated reasonably soon.

Mr. Tony Marlow (Northampton, North): Will my right hon. Friend have a quick and sharp word with my right hon. and learned Friend the Chief Secretary to the Treasury, who is sitting just along the Front Bench from him? Earlier this week, I tabled a priority written question for answer by today about the costs of Community membership for this country. My right hon. Friend the Leader of the House will know that today we are to have a European Community debate. My questions are simple and do not require a great deal of calculation. Will my right hon. Friend ask the Chief Secretary what his problem is — whether he does not understand the questions, whether he does not have the staff to provide the answers or whether he is embarrassed by what the answers might be?

Mr. Biffen: All my representations to Treasury Ministers are couched in both the language and the attitude of total deference. I am delighted that my right hon. and learned Friend the Chief Secretary is in his place and has heard the anxieties of my hon. Friend the Member for Northampton, North (Mr. Marlow) and that I am not, therefore, required to communicate them to him.

Mr. John McWilliam (Blaydon): Is the Leader of the House aware that, under the disastrous organisation of the Health Service that was put in place by the present Secretary of State for Education and Science, a Tory party placeman, who does not even live in my local health authority area, used his casting vote for the closure of the most pleasant geriatric hospital in my constituency? When may we have a debate on the chronic underfunding of the Health Service in the north-west and the mismanagement and misorganisation of the Health Service generally?

Mr. Biffen: I cannot accept the strictures directed at my right hon. Friend the Secretary of State for Education and Science or at Conservative welfare policy generally. I note the hon. Gentleman's point but, as it has direct constituency significance, I suggest that he might like to try his chances with an Adjournment debate.

Mr. Harry Greenway (Ealing, North): Because of the continued closure of a number of sub-post offices, may we have a statement at an early date from the Secretary of State for Trade and Industry on his policy?

Mr. Biffen: I shall certainly draw my right hon. Friend's attention to that point.

Mr. James Hamilton (Motherwell, North): Will a statement be made by the Secretary of State for Trade and Industry, bearing in mind that British Telecom has made a £945 million profit after tax? Will this money be used to retain telephone kiosks, especially in Wales? If the money is not used for that purpose, will it be paid to the shareholders? It is imperative that a statement should be made on this matter.

Mr. Biffen: I shall draw that observation to the attention of my right hon. Friend the Secretary of State.

Sir Kenneth Lewis (Stamford and Spalding): In view of the obvious controversy surrounding the report of the Select Committee on Employment, does my hon. Friend think that it would be a good idea for the House to debate it as soon as possible?

Mr. Biffen: I am sure that my hon. Friend knows that there is a recognised convention whereby reports are first subject to response by the Government. My hon. Friend is correct in highlighting the great interest in this report, which sharply divides those who served on the Select Committee — in contrast to the way in which Select Committees often purport to operate.

Mr. Kevin Barron (Rother Valley): Will the Leader of the House ensure that there is an urgent debate on the report of the Select Committee on Employment? It is not as contentious as the right hon. Gentleman would have us believe. The report was accepted by a vote of five to three. All parties were represented among the five who accepted the report. The report makes only two points—first, that the reviews should accept ACAS procedures, and, secondly, that there should be a national review if people have not been reinstated at area level. The report asks only for justice. It is not clouded with the rhetoric used this afternoon by the Prime Minister about violence in relation to working and striking miners. That has nothing to do with the report.

Mr. Biffen: The hon. Gentleman is doing himself a disservice by trying to appear as a moderate. It is clear that this is a highly contentious report. It was carried by five votes to three. That omits the fact that two hon. Members had already left the Committee Room in high dudgeon. I have said that I shall draw the attention of my right hon. Friend the Secretary of State for Energy to the general interest of hon. Members in debating the matter. I am not trying to go back on that. I am merely observing that there are procedures that are normally observed in these matters. I imagine that the House would wish those procedures to be applied on this occasion.

Mr. Andrew MacKay (Berkshire, East): In the light of the tragic scenes that are being played out in Beirut, would it not be appropriate for the House to have a debate on international terrorism before the summer recess? This would give some hon. Members an opportunity to express their concern at the Greek Government's attitude and decision to give in to terrorists' demands.

Mr. Biffen: My hon. Friend has raised a highly important and highly topical point, which I agree stands in its own right and is apart from the more general consideration of foreign affairs. I cannot offer an early debate in Government time to debate this matter, although my hon. Friend might like to use the opportunities that private Members have.

Mr. Charles Kennedy (Ross, Cromarty and Skye): I do not know whether the right hon. Gentleman heard all the exchanges during Question Time today when the Minister of State confirmed that the Government will make a written statement on Monday about the granting

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of three illegal pressure stock licences to vehicles from the Netherlands for mackerel fishing. This is an important issue in my constituency. Since the Government appear to be willing to sanction illegality and ill-gotten gains for the Netherlands at the expense of the British fishing fleet, will the Leader of the House ascertain whether it will be appropriate for the Attorney-General to take a legitimate interest in this matter?

Mr. Biffen: I shall of course respond to that request, although I think it falls rather wide of my role in announcing next week's business. I was present during Question Time. I realise that this matter concerns the hon. Gentleman and his constituents and is also of concern because of the other principles that are involved.

Mr. Spencer Batiste (Elmet): My right hon. Friend will be aware of the recent publication of the export control order implementing last year's COCOM agreement. He will be aware also of the widespread concern in Britain and Europe about the way in which the United States Government seek to impose their domestic legislation on their allies and the damage that this is causing to high technology industries in Europe and to future co-operation in the manned space station programme and the strategic defence initiative. Will my right hon. Friend be able to find time for a debate on this issue before the order comes into effect at the end of July?

Mr. Biffen: I shall certainly refer that point to my right hon. Friend the Secretary of State for Trade and and Industry. I know that that concern is widely felt.

Mr. Alexander Eadie (Midlothian): When the Leader of the House gives his judgment on the sixth report of the Select Committee on Employment on victimised miners, I hope that he will remember that a majority is a majority and that the Government will not amend it. Will the right hon. Gentleman consider holding a debate on this matter? Will he consider two important factors? First, according to the evidence given to the Select Committee, the NCB chairman was under the impression that only criminals should go before industrial tribunals. Secondly, no victimised miner in Scotland has been re-employed. The number affected is no longer 202; it is 203, because last week a young lad went before the courts and was fined for obstruction. The next day he was given his book by the NCB and was sacked. There is an urgent need for this debate. We want justice.

Mr. Biffen: That was more of a speech than a request for consideration of whether these items should be included for discussion during next week's business. I have suggested that there are procedures that are normally followed in dealing with reports of departmental Select Committees, even when they are as contentious and divisive as this one. I abide by that statement. I shall refer to my right hon. Friend the points that have been made by hon. Members.

Mr. Peter Bruinvels (Leicester, East): Does my right hon. Friend accept that too much time has been spent on European Assembly matters? Five days in two weeks is too much. Will my right hon. Friend look instead to the Surrogacy Arrangements Bill, which at the moment is tied up in the other place? As two children have already been born, and two more are due to be born, through surrogacy arrangements under commercial contracts, will my hon. Friend change the debate on Monday week, when we are due to debate European Assembly matters? Following discussions with Lord Whitelaw, will my right hon. Friend allow the Surrogacy Arrangements Bill to be brought before the House again so that we can outlaw surrogacy once and for all?

Mr. Biffen: I do not agree with my hon. Friend. In these matters that affect our social, economic and constitutional affairs and derive from our Community relationships, it is vital that the House should assert its continuing presence. If it does not, others will fill the gap.

Mr. Brian Sedgemore (Hackney, South and Shoreditch): As hon. Members on both sides of the House are bringing miniature portable television sets into the Chamber to relieve themselves of the tedium of Government speeches and as reception was extremely bad during the last test match around the seat occupied by my hon. Friend the Member for Cynon Valley (Mrs. Clwyd), will the Leader of the House arrange for the report of the structural engineer to be debated before the next test match?

Mr. Biffen: I know that, after a while, performing this task leads one to be totally unworldly, but I could not understand any of that.

Mr. Speaker: Nor could I and if what the hon. Gentleman says is correct the matter should have been raised with me.

Mr. Dave Nellist (Coventry, South-East): Is the Leader of the House aware that 1,300 workers in my constituency have been laid off by Talbot because of the failure of the Iranian Government to pay the company for 33,000 car kits in Newport docks? Is he further aware that those workers have been laid off for 32 months in the past six and a half years? Can the right hon. Gentleman arrange for the Secretary of State for Trade and Industry to make a statement to the House, or for an early debate on the topic, so that Labour Members representing Coventry can raise with the Department of Trade and Industry what, if anything, the Government will offer to those workers employed by the car industry in Coventry, which has sadly declined in the past six years.

Mr. Biffen: I shall convey to my right hon. Friend the Secretary of State for Trade and Industry the points that have been made by the hon. Gentleman and his request for a statement.

Mr. Eric Forth (Mid-Worcestershire): Does my right hon. Friend agree that the proposed enlargement of the EEC to include Spain and Portugal could have the most profound effects both on the Community and on the United Kingdom? Is he aware that this matter has not been debated by the House except in my Adjournment debate before Easter? Therefore, will he allow the House to debate this vital matter before we take the irrevocable step of letting these two countries into the EC?

Mr. Biffen: I shall bear that point in mind. There will be an opportunity for the House to debate the specific issue of the enlargement of the Community to include Spain and Portugal. I should have thought that later today, if my hon. Friend was lucky enough to catch your eye, Mr. Speaker, he could make some of the points that he clearly has in mind.

Mr. Ray Powell (Ogmore): Will the Leader of the House consider, having listened to 15 minutes of points of order on Prime Minister's Question Time, whether he should persuade the Prime Minister to go to Brecon and Radnor so that she can see for herself how her policies are opposed by the electors of Brecon and Radnor, and are now even questioned by the Tory candidate? Will the Leader of the House persuade the Prime Minister to go to Brecon and Radnor on Tuesday and Thursday of next week so that we can have a refreshing change and so that she can learn a long-overdue lesson?

Mr. Biffen: I take account of all the kind remarks made about my right hon. Friend the Prime Minister. As to the parallel point, I should have thought that Mr. Butler, the Conservative candidate in the by-election, was showing the robust independence that will make him feel so at home when he comes to these Benches.

Mr. Roland Boyes (Houghton and Washington): Does the Leader of the House recall that on four occasions recently I have asked whether we can have a debate about the Government's new board and lodgings regulations for under 26-year-olds? Does he recall that on the last occasion he said that the regulation had been implemented for only a short time and that we must wait? In this short time, a number of people have either committed suicide or attempted to do so. How many more deaths do there have to be before the Government will do something about this wicked, vicious, evil and unnecessary regulation?

Mr. Biffen: The welfare policy in its wider sense has been debated already this week. I do not disparage the acute personal problems to which the hon. Gentleman refers, but I cannot offer the likelihood of a Government debate on this matter in the near future.

Mr. Tony Lloyd (Stretford): I note that next Friday there is to be a debate on the policing of London. Does the Leader of the House recognise that there is concern about the policing of other areas, and in particular of great cities such as Manchester? We have already had the Prime Minister denying her personal responsibility for anything to do with the massive rise in crime in these areas. Is it not about time that we had a debate on policing generally and not simply on London policing?

Mr. Biffen: I take account of the points that the hon. Gentleman makes. He will realise that having the debate on Friday underlines the importance of policing elsewhere, particularly in the large urban conurbations. However, I cannot help him out with the prospect of Government time for such a debate, at least in the near future.

Mr. Robert N. Wareing: (Liverpool, West Derby) What are the Government's intentions about public order legislation? We are only a few weeks away from the summer recess. On our return, are we to be met with another hotchpotch of legislation, of which the intention is more to do with further eroding people's civil liberties than with the real issue of crime, which is mounting under this Tory Government?

Mr. Biffen: The hon. Gentleman will recognise that I cannot anticipate what will be contained in the Queen's Speech, but, if he is interested in this topic, he is not likely to be disappointed.

Mr. Michael Meadowcroft (Leeds, West): The hon. Member for Wolverhampton, North-East (Mrs. Short) asked a question earlier. Has the Leader of the House seen early-day motion 714?

[That this House is concerned at the new evidence in Yorkshire of illegal drug trafficking and the involvement of young people in hard drug abuse; congratulates the Yorkshire Post on its detailed investigation into this urgent and serious problem; notes that the Select Committees on Home Affairs and on Social Services are undertaking enquiries into drug abuse; and calls for an early Parliamentary debate on their proposals further to inhibit supply and to rehabilitate addicts.]

Does he accept that the momentum of public concern needs to be kept up, and does he agree that the report of the Select Committee on Social Services on drug abuse provides a good opportunity for an early debate on this subject?

Mr. Biffen: I take note of what the hon. Gentleman says, and I appreciate the good-tempered way in which he has put his question. He will realise that the answer that I give him will be no different from that which I gave the hon. Member for Wolverhampton, North-East (Mrs. Short).

Mr. Robert Parry (Liverpool, Riverside): Has the right hon. Gentleman seen early-day motion 770?

[That this House condemns the Banbury Coal Company of Northwick for importing domestic coal for the Lancashire area from South Africa through Liverpool Docks; regrets that the company is prepared to put at risk Lancashire mines and Lancashire jobs in favour of supporting economically the evil apartheid régime in South Africa; further regrets the special arrangements made with the company by the Mersey Docks and Harbour Company for handling this cargo which could lead to unrest amongst Liverpool dockers; and calls upon the Secretary of State for Energy to show his much vaunted support for the United Kingdom mining industry by seeking to prevent such unnecessary imports.]

It has been signed by nearly 100 hon. Members. Will the right hon. Gentleman ask the Secretary of State for Energy to make an early statement on why the Government are supporting the evil régime of apartheid and at the same time putting miners' jobs at risk?

Mr. Biffen: It would not be appropriate for me to engage in controversy with the hon. Gentleman about why it is felt prudent to have a second source in the supply of coal. I shall refer to my right hon. Friend the Secretary of State for Energy the request that has been made.

Mr. Gerald Bermingham (St. Helens, South): Has the Leader of the House read, as I have, the reports in *The Times* and the *Financial Times* on Monday this week that the Secretary of State for Energy is to pursue an energy conservation campaign over the next 12 months? Should not this matter be debated at length in this place before the campaign gets under way? Will the right hon. Gentleman be kind enough to tell the Chancellor of the Exchequer, who is sitting on the Government Front Bench, not to interfere with the campaign on this occasion by imposing silly taxes such as VAT on double glazing?

Mr. Biffen: My newspaper reading is not as elevated as that of the hon. Gentleman, so I cannot confirm whether such a campaign is about to be launched. I shall draw the

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attention of my right hon. Friend the Secretary of State for Energy to those points. My right hon. Friend the Chancellor of the Exchequer will have heard, and discounted, the latter remarks made by the hon. Gentleman.

Mr. Laurie Pavitt (Brent, South): The Leader of the House will have studied with his usual care early-day motion 768.

[That this House resents the injustice to nurses and midwives caused by the way in which the Government has phased the recent pay award consequent upon the recommendations of the Review Body; and notes that, although giving the impression that an average of 8½ per cent. had been conceded, the reality is that for the year 1985-86 these dedicated workers will actually get 5·66 per cent. which may well prove less than the rate of inflation.]

Does the right hon. Gentleman recall the exchanges in the House expressing disappointment that the announcement on the pay awards was made by a written answer so that there was no opportunity for hon. Members to discuss it? As the award being arranged is now 1·34 per cent. below current inflation rates, will the Leader of the House arrange for either a statement or a debate at an early opportunity or at least before the recess?

Mr. Biffen: The hon. Gentleman is a well respected Member of the House and an old campaigner. Therefore, it will come as no surprise to him to hear that it is extremely unusual—almost unknown—for nurses' pay awards to be announced orally in the House. I shall refer his remarks to my right hon. Friend.

Mr. Jeremy Corbyn (Islington, North): Has the Leader of the House seen early-day motion 781?

[That this House believes that the policy of Her Majesty's Government towards asylum seekers from Sri Lanka is a serious departure from normal practice in respect of those fleeing from terror; further believes that the method of dealing with applications at Her Majesty's mission in Colombo is one that increases the danger to individual Tamil people; and calls upon Her Majesty's Government to end the visa requirement and to cease the policy of returning Tamil people to Sri Lanka who have expressed a fear of so doing.]

Does he accept that the imposition of visa requirements on people coming from Sri Lanka to Britain exposes Tamil people in particular to great dangers? Will he arrange for an early debate on this subject so that the Home Secretary can explain when the visa requirements will be lifted, and the Prime Minister can explain what went on in the meeting with Mr. Jayawardene in Sri Lanka?

Mr. Biffen: As I understand it, the visa requirements are kept under review, but I shall refer to my right hon. and learned Friend the Home Secretary the anxieties that the hon. Gentleman has just expressed.

Mrs. Ann Clwyd (Cynon Valley): Has the Leader of the House had an opportunity to read early-day motion 769?

[That this House recognises that the Disabled Persons (Employment) Act provides that employers with 20 or more employees have a duty to employ at least 3 per cent. registered disabled people (standard quota); regrets that only five of 44 Government departments fulfil the quota; and calls upon Government Ministers urgently to review their department's employment policy with the objective of reaching the 3 per cent. level as soon as possible.]

It has been signed by 61 Members and deals with the employment of disabled people by Government Departments. He will note that only five out of 44 Government Departments employ the 3 per cent. quota of disabled. Will he please ask Ministers to review their policy and to make a statement to the House

Mr. Biffen: I take note of what the hon. Lady says. I understand that my right hon. Friend the Secretary of State for Employment is currently considering a report from the Manpower Services Commission on ways of making the quota scheme more effective. The implications of that for Government Departments will be give serious study.

Mr. Peter Pike (Burnley): In view of the recent decision of the European Court of Human Rights which criticised certain aspects of the immigration policy of this country, will the Leader of the House give us an assurance that a statement will be made by the Home Secretary before the summer recess? If the proposal is to be controversial, can he ensure that adequate Government time is provided for a debate on this important subject?

Mr. Biffen: I recognise the clear interest in this topic. I shall certainly draw the attention of my right hon. and learned Friend the Home Secretary to the point that has just been made.

Mr. Don Dixon (Jarrow): Will the Leader of the House ask the Secretary of State for Social Services to make a statement to the House about the position of British civilians who are working in the Falkland Islands and who may be affected by anomalies in the industrial injuries scheme?

One of my constituents took the advice of the Secretary of State for Trade and Industry, got on his bike at the end of last year and went to work in the Falkland Islands. He had a serious accident and came back to this country, only to be told that the industrial injuries scheme did not extend to the Falkland Islands. Is the Leader of the House aware that had that man been working in any EC country, in any Commonwealth country or in America, Austria, Finland, Iceland or numerous other countries with which we have reciprocal arrangements he would have been covered? Because he was working in the Falkland Islands, he is not entitled to benefit under the industrial injuries scheme.

Mr. Biffen: The hon. Gentleman raises a matter of great, even if narrow, significance. I shall pass his request to my right hon. Friend.

Mr. Pavitt: On a point of order, Mr. Speaker. I am sure that the Leader of the House would not wish to be inaccurate. He stated that previous announcements on pay awards to nurses had been made by written answer. May I inform you, Sir, that in 1979 the present Lord Ennals made a statement orally in the House?

Mr. Speaker: I am sure that the Leader of the House has heard that.

Mr. Stuart Bell (Middlesbrough): On a point of order, Mr. Speaker. I should like your ruling on a case where Members come into the House after the Leader of the House has given the business for the following week and then put questions to him on that.

Mr. Speaker: I cannot control when Members come into the House. I think one hon. Member came into the House somewhat late and was not called, but do not let us get into an argument about it.

Mr. Edward Leigh (Gainsborough and Horncastle): With respect, Mr. Speaker, I heard the statement. I had to leave for a second, but I came back. I had heard the statement.

Mr. Bell *rose*——

Mr. Speaker: Order. I do not think that a point of order can arise. Nothing happened. What is the point of order?

Mr. Bell: I was referring not to the hon. Member for Gainsborough and Horncastle but to the hon. Member for Ross, Cromarty and Skye (Mr. Kennedy).

Mr. Kennedy: Further to that point of order, Mr. Speaker.

Mr. Speaker: Order. It would put an impossible load upon me if I had to note not only who is in the Chamber but who comes in. That would be intolerable.

Mr. Kennedy: I am reluctant to prolong this exchange, but the hon. Member for Middlesbrough (Mr. Bell) is completely wrong. I have been here without a break since 2.30 this afternoon.

Mr. Bell *rose*——

Mr. Speaker: Order. I think we are getting into the July silly season rather early.

Banking Supervision (Review Committee's Report)

4.23 pm

The Chancellor of the Exchequer (Mr. Nigel Lawson): With permission, I should like to make a statement.

In my statement on 17 December, I told the House that the Johnson Matthey Bankers affair raised important issues about our present procedures of banking supervision, and the legislative framework within which it is conducted. I announced a full review, which would consider whether any early changes in present supervisory procedures were called for in the light of the problems that had arisen in Johnson Matthey Bankers, and whether there was a need to review or amend the Banking Act 1979.

The review committee has now presented its report, which I have arranged to be published as a Command Paper and have laid before the House. I shall be considering the committee's proposals carefully. In the meantime, I have accepted the report as a basis for immediate consultation. Many of the recommendations do not require legislation. Some are already being implemented. But some of the committee's proposals do require fresh legislation. I therefore propose to publish a White Paper later this year, with the intention of bringing a Banking Bill before the House as soon as possible. The group of Treasury and bank officials which I set up under the review committee's terms of reference is continuing its detailed examination of the Banking Act 1979.

I am most grateful to the Governor of the Bank of England, who has chaired the review committee, and to its members, who comprised senior officials of the Bank of England and the Treasury, and a distinguished commercial banker, Mr. Deryk Vander Weyer.

A note by the Bank of England on events leading to the failure of JMB, the subsequent rescue by the bank, and its conduct of JMB's affairs is annexed to the bank's annual report and accounts, which have been laid before the House today.

The bank's account makes it clear that serious shortcomings in the management of JMB led to its collapse — over-rapid expansion of the loan book, heavy concentration of exposures, and lack of adequate control systems. JMB was also guilty of serious misreporting to the supervisory authority.

The circumstances described in the bank's report must inevitably raise questions about the role of the auditors, Arthur Young. The board of JMB, which is a wholly-owned subsidiary of the Bank of England, has today announced that it will be initiating legal action against Arthur Young.

The bank's account also explains its reasons for rescuing JMB. In mounting the rescue, I am satisfied that the Governor was acting properly within his discretion.

The board of JMB now estimates the company's losses at £248 million. Of this, £130 million has been met by JMB's original capital, reserves and provisions, and £50 million by a cash injection from Johnson Matthey plc, the former parent company. The rest of the losses are to be met from the indemnity of £150 million, split pound for pound between the Bank of England and a group of private sector banks and members of the London gold market. Potential claims on the indemnity to date thus amount to £68

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million, of which £34 million falls to the bank. Though in many instances recoveries will be only over the long term, JMB's present board of directors is satisfied that the total eventual calls on the indemnity will fall comfortably within the £150 million ceiling.

Since JMB is now its wholly-owned subsidiary, the Bank of England stands fully behind it. On 22 November the bank placed a deposit of £100 million with JMB, which has since been converted into £100 million of additional capital to strengthen JMB's balance sheet. This will, of course, be fully reflected in the price the Bank of England receives for the sale of JMB back to the private sector, which it plans to conclude as soon as practicable.

The review committee has made 34 specific recommendations. Their implementation will require action by the Bank of England, by supervised institutions, by their auditors and by the Government. The committee proposes two fundamental changes in the present arrangements, and several important modifications. It has taken the view, which I share, that the JMB case exposes major shortcomings in the present legislative framework and supervisory procedures. I shall, in my statement, outline only the committee's main proposals. A full summary of its recommendations is annexed to its report.

The Banking Act 1979 — which was Labour legislation — draws a distinction between recognised banks and licensed deposit-takers. JMB was, and still is, a recognised bank.

Most of the Act's provisions, and of the bank's powers set out in it, relate to licensed deposit-takers. A dual system of supervision has resulted. Licensed deposit-takers have been subject to a more rigorous regime of supervision, whereas the supervisors have relied heavily on the integrity and co-operation of the management of recognised banks. With most banks, this confidence has not been misplaced. But the banking industry has expanded rapidly, and its activities have diversified. Recognised bank status—as we have seen with JMB—has not always guaranteed prudence and responsibility.

The committee recommends that the two-tier system be abolished and that the powers given to the bank under the Act should apply to all authorised institutions. I accept this recommendation. The committee recommends that all authorised institutions should, in consequence, be entitled to use banking names.

I also intend to tighten the criteria for authorisation, including the minimum net assets required.

The second fundamental change recommended by the review committee concerns bank auditors. In this context, I am grateful to the Institutes of Chartered Accountants of England and Wales and of Scotland for the co-operation that they have afforded the committee.

The committee recommends that there should in future be a regular dialogue between the supervisors and banks' auditors. I strongly endorse this proposal.

A bank's auditors are uniquely placed to monitor its control systems and assess its financial prudence. The accountancy profession at present considers itself prevented by a duty of confidentiality to the client from passing information to the supervisors. At the same time, the supervisors are themselves inhibited by the Banking Act from communicating supervisory information to third parties without the institution's consent.

This is clearly an unsatisfactory state of affairs. It is in cases where consent is not forthcoming that dialogue might be most necessary. That is why I accept the committee's recommendation that the constraints on contact between auditors and supervisors be removed.

I emphasise, however, that it is the directors and senior managers of banks who are responsible for the conduct of their business. They have duties both to depositors and to shareholders. This responsibility cannot be shuffled off to auditors or supervisors. The lesson of the JMB collapse is that banks must have in place adequate management and control systems. I therefore endorse the committee's suggestion that banks should appoint an audit committee and finance director where they do not already have them.

The committee has also made important recommendations on the staffing and organisation of the banking supervision division of the Bank of England.

The work of the supervision division has increased greatly in both complexity and volume in recent years, and the Bank of England now supervises more than 600 institutions. In general, it does a difficult job diligently and well. But in the case of JMB, the supervisors cannot escape criticism for failing to respond more quickly to the danger signals.

The committee has recommended that the staff of the division would benefit from wider commercial experience; that there should be more secondments in both directions between the division and commercial banks; that a significant cadre of experienced long-term banking supervisors must be built up; and that there should be more professionally qualified accountants in the division. It has also been suggested that more staff are needed.

The bank has already begun to implement these recommendations. The division is being strengthened both in numbers and in the range of expertise available. Some rearrangement of responsibilities has taken place within the division and further secondments to and from commercial banks have been arranged. To provide advice at a senior level, Mr. Sidney Proctor, chief executive of the Royal Bank of Scotland group, who retires from that position on 30 September, has accepted the Governor's invitation to serve on a part-time basis as an adviser on banking supervisory issues.

JMB's failure stemmed directly from a number of large, related exposures. The committee recommends—and the Bank of England has accepted — that in future no exposure to a borrower, or to closely related borrowers, should exceed 25 per cent. of the lender's capital base, other than in the most exceptional circumstances.

An effective system of banking supervision is essential, not merely for the protection of depositors but for the financial health of the economy as a whole.

The review committee's report brings out very clearly the lessons to be learnt from the collapse of Johnson Matthey Bankers. But, more than that, it proposes a number of important changes to banking supervision in this country, which I am confident will greatly strengthen the system and make a repetition of the JMB affair very much less likely to occur. I commend it to the House.

Mr. Roy Hattersley (Birmingham, Sparkbrook): I wish at the outset to make it absolutely clear to the Government that the Opposition expect an early debate on this subject, for it raises the most serious questions about

the relationship between the banks and the Bank of England, the Bank of England and the Treasury, and the Treasury and the House of Commons.

The Chancellor now proposes a Banking Bill to review the system of statutory regulation. I welcome that, and the Opposition will help its passage—that is, the passage of a Bill which offers adequate safeguards and supervision. I hope, however, that the Chancellor is aware that our co-operation depends on the inclusion of three essential ingredients.

The first is the abolition of the two-tier system of supervision and the extension to the banks of the information requirement now placed on licensed deposit-takers. The second is the power of the Bank of England, when it fears a bank collapse, to provide relevant information to other Government Departments. The third is the duty — not the right, as recommended by the working party — of auditors to warn the Bank of England if they have information about impending collapse.

However, the Chancellor will be aware that that is all in the future. Opposition Members will not agree that the history of this matter can be swept under the Bank of England's carpet. Indeed, unless we fully understand and learn the lessons of this unhappy affair, new legislation will be no more successful than the old; for under present powers, the Bank of England should have detected, and prevented, the JMB collapse.

Why did the Bank of England not appoint an investigator under section 17 of the Banking Act in the autumn of 1983 or in early 1984, when it certainly knew that JMB was moving into desperate difficulties? Indeed, why did the Bank of England not know of the danger earlier? Is it not a fact that every bank must submit Q7 forms to the supervising authority listing the largest depositors, the amount of the loan book and the geographical spread of loans? Does the Chancellor agree that that information gave the Bank of England a most serious warning signal and that the Bank of England did not act on it?

It is not only the Bank of England that has such questions to answer. The Chancellor tells us that when he made his statement to the House on 17 December he did not know of the £100 million loan to JMB. Does he now accept that he should have known and that the Bank of England should have told him? Perhaps more important, does he accept that when he found out he should have corrected the mistaken impression that he inadvertently gave to the House?

The Chancellor cannot hide behind the fiction that the behaviour of the Bank of England is not a matter for him; nor can he take refuge in the pretence that public money was not involved. No one now accepts the arbitrary and artificial distinction which he chooses to make, since the Bank of England dividend is payable to the Treasury, and Bank of England money is, in a real and practical sense, within the public weal.

That raises the fundamental question which I hope the Chancellor will answer. Why, of all the companies that the Government and their agencies might have rescued, has this incompetent bank been singled out for special treatment? In short, why Johnson Matthey and not Cortonwood? Why JMB and not Stone Platt, the textile machinery company which the Bank of England ditched in 1982?

With such a sorry tale of incompetence and concealment before the Chancellor, does he still retain any confidence in the Governor of the Bank of England, and does he expect us to retain any confidence in him?

Mr. Lawson: The right hon. Gentleman first asked for a debate. That is a matter which, as he knows, can be pursued through the usual channels.

Secondly, the right hon. Gentleman welcomed the proposed Banking Bill, and I am glad of that. He asked for an assurance that it would include the abolition of the two-tier system. I have already indicated in my statement that that will be a most important part of the Bill. I do not think that the right hon. Gentleman was concerned with financial matters at the time, but when the then Labour Government put forward the Banking Bill with the two-tier system that system was opposed by the then Conservative Opposition, particularly by my hon. Friend the Economic Secretary. The two-tier system was put in place by the then Labour Government against the wishes of the Conservative Opposition. It has proved to be a mistake, and we shall certainly be changing it.

The right hon. Gentleman then asked why the Bank of England did not get on to the situation of Johnson Matthey Bankers at an earlier date. I have already made it clear that the Bank of England, despite its excellent record in general of carrying out its supervisory duties, did not on this occasion act as promptly as it should have done. It did, to some extent, fall down on the job. I must say, however, that there was persistent late reporting and misreporting by JMB, so the Bank of England was provided with wholly inadequate information.

The right hon. Gentleman asked if I did not feel that I should have been told at the time about the £100 million loan. Yes, I do think that I should have been told at the time; and that is accepted by the Governor of the Bank of England and, indeed, by the bank generally. I think, however, that the point that the right hon. Gentleman went on to make is false—that I should have revealed this to the House as an additional exposure. It is important to distinguish between loans made by JMB prior to 30 September 1984—which included, as we now know, a large number of very bad and doubtful loans—and the £150 million indemnity to cover them, and the £100 million which was to provide JMB with effective working capital to continue after 30 September 1984 and stands to be recovered in full when JMB is sold back to the private sector.

The right hon. Gentleman then asked why JMB was rescued. I have already indicated quite clearly why the Governor, exercising his responsibilities, decided that, because of the combination of the risk to the London gold market — which is a very important market — and the effect on the banking system, it was right to rescue JMB.

In reply to the question whether I now have confidence in the Governor, I must tell the right hon. Gentleman and the House that I have the fullest confidence in the Governor of the Bank of England.

This is not the first occasion on which a bank has collapsed and a rescue operation has been mounted. Right hon. and hon. Gentlemen on the Opposition Benches and, indeed, the whole House will recall very clearly the secondary banking crisis some 10 years ago and the rescue operations that were mounted by the the then Governor of the Bank of England, backed by the then Chancellor of the Exchequer, the right hon. Member for Leeds, East (Mr.

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Healey). No information of the kind in the Governor's report to the House and in the report that I have given to the House today and no action to tighten up on banking supervision was offered to the House at that time.

Mr. Terence Higgins (Worthing): Is my right hon. Friend aware that when an event of this size and seriousness occurs it is very important that it should be fully investigated so that the House can take a view on the reforms that need to be made? Therefore, we obviously need to study in detail the information now before us, and it is very important that the lessons should be learned. We are now in a position to do this as a result of the action that my right hon. Friend has taken. His proposals and the other remedies which he may feel to be appropriate are being implemented against the background of a situation in the City of London which is nothing short of a revolution. Therefore, it is important to ensure that we take an overall view of the problems which may arise in that context.

Is my right hon. Friend satisfied that there is sufficient co-ordination between the Treasury and the Department of Trade and Industry, which is responsible for many other aspects of the City's operations? There is some danger, I fear, if there is not sufficient co-ordination and if the interrelationship of the various financial institutions is not taken fully into account when we carry out the reforms which are undoubtedly necessary in the light of this event.

Mr. Lawson: I am grateful to my right hon. Friend for his initial remarks about the particular case which is the subject of my statement today and about the action that the Government have taken.

On the wider issue of the City revolution, I welcome his statement that these reforms are essential if the City of London is to remain a world financial centre, particulrly as far as the securities industry is concerned. It is obviously important that there are adequate regulatory systems and financial protection in place. He will know that the Government will be bringing forward, before very long, I hope, a financial services Bill, when these matters can and should be very fully and rigorously debated.

I am satisfied that there is full co-operation between my Department and the Department of Trade and Industry, as indeed there must be, and not only between those two Departments, but between them and the Bank of England.

Mr. Robert Sheldon (Ashton-under-Lyne): Will the Chancellor bear in mind the clear danger of rushing in with public money before the extent of the problem is realised —and, of course, this should have been realised much earlier? Will he contrast the treatment given to Johnson Matthey Bankers with the failure by a previous Conservative Government to come to the rescue of Rolls-Royce—the most important industrial company in this country, probably in Europe, and even conceivably in the world? They let that company go for sums of money rather less than this. Does that not show the bias of this Conservative Administration towards services in the City of London and away from industrial expenditure, which should be one of our highest priorities?

Mr. Lawson: That is a most extraordinary statement, because, as the right hon. Gentleman should recall, Rolls-Royce was indeed rescued by the previous Conservative Government. It is a thriving business. I hope that during the course of this Parliament we shall be able to return it successfully to the private sector.

Sir William Clark (Croydon, South): I am sure that everybody in the City and in financial circles generally will appreciate the fact that the Government are going to introduce a new Banking Bill. When will this legislation be brought forward? I have one caveat about such a Bill. In his statement, the Chancellor said that the lending authority—that is, a bank—should not expose itself to a borrower, or a series of borrowers who are connected, to the extent of more than 25 per cent. of its capital. Surely that is far too high a proportion, because a lending authority, such as Johnson Matthey Bankers, for example, could, with four borrowers, commit the whole of its capital. Would my right hon. Friend think again about the recommendations of the review committee and consider whether 25 per cent. is perhaps too high?

Mr. Lawson: On the second point, my hon. Friend has to bear in mind that we have a very flexible discretionary system of banking supervision in this country. I am not proposing, nor is the review committee, that it should be replaced by a system of rigid rules. It is possible to have a system of rigid rules. The United States has such a system, but that does not prevent banks occasionally collapsing in the United States — for example, Continental Illinois, which was, of course, rescued. If there were to be rigid rules, the sort of matters to which my hon. Friend referred would have to be covered by them. This 25 per cent. rule is a general upper limit guideline. It does not mean that circumstances might not arise of the kind that my hon. Friend suggested, in which case, long before that, the supervisory authority would say that that was not in keeping with the supervision rules that it imposed informally and it would require the lending authority to reduce its exposures.

As to my hon. Friend's first question, we hope that we shall be able to bring forward legislation during the 1986-87 Session.

Mr. Brian Sedgemore (Hackney, South and Shoreditch): For the benefit of those members of the public who are not well versed in matters of high finance, will the Chancellor of the Exchequer distinguish between stupidity, incompetence and greed and fraudulent trading, fraudulent accounting and fraud? Bearing in mind the fact that in any language, other than Tory language, the conduct of Johnson Matthey Bankers, the auditors and the Governor of the Bank of England has coalesced into a fraud on the public, should not the Governor of the Bank of England resign under this Government before he gets the sack under the next Labour Government?

Mr. Lawson: That question is hardly worthy of any answer, although it is worthy of the hon. Gentleman. No prima facie evidence of fraud has so far been uncovered. The Price Waterhouse report turned up no prima facie evidence of fraud. However, if any prima facie evidence of fraud were to be turned up in further investigations, of course the appropriate action would be taken.

Sir Anthony Grant (Cambridgeshire, South-West): Will my right hon. Friend confirm that the strictures, rightly levelled at the banking side of Johnson Matthey plc, do not apply to the industrial subsidiary located in my constituency which does some excellent work and gives

valuable employment to my constituents? Is not the saving of that employment and the industrial side of Johnson Matthey plc a justification of the rescue operation?

Mr. Lawson: My hon. Friend is right in a number of respects. First, the parent company, Johnson Matthey plc, conducts industrial operations successfully and well in a number of constituencies, not just his. It would have been brought down completely had that rescue not been mounted. However, that was not the prime reason for mounting the rescue operation. It was for the reasons that I gave in my statement. The same goes for the bullion business of Johnson Matthey plc, which is a sound business, contrary to the impression given by a long and completely misguided campaign by the right hon. Member for Plymouth, Devonport (Dr. Owen), who is not in his place.

Mr. Ian Wrigglesworth (Stockton, South): In view of the comment that the Chancellor of the Exchequer has just made, will he explain why it was necessary to give a massive £150 million indemnity involving substantial public funds to keep the whole of that operation going? If the future of the gold market were not going to be rocked, because the bullion side of the business was viable, why was it necessary to save the whole of the institution?

When he considers future banking supervision, will he take into account the views put forward by a number of people, when the subject was discussed previously? It was then said that the Bank of England is the wrong body to be responsible for the supervision of the banking system, as it is acting as an advocate for and a supervisor of the banking system, and that it should be contained in its role as a central bank and not carry out that supervisory role. Will the Chancellor of the Exchequer also explain why no charges are being brought and the fraud squad is not pursuing the matter further, when there has been such massive misreporting and misleading of the supervisory body by the bank's management?

Mr. Lawson: The answers to the hon. Gentleman's three questions are as follows. First, whether the Bank of England should continue to be the supervisory body was one of the matters considered by the review committee, which unanimously reached the conclusion that it should remain as the supervisory authority.

As to whether there was any danger to the gold market, I hardly think that the members of the gold market would have contributed to the indemnity, as they did, had they not thought that it was important to the London gold market that the bank should be rescued. That was the view of the Governor of the Bank of England and of those from the private sector who contributed to the indemnity.

Misreporting, even on the appalling scale that occurred in this case, does not constitute a fraud. That is a point of law.

Mr. Jonathan Aitken (Thanet, South): Although this affair is a most bizarre Alice-in-Cityland fable of unbelievable incompetence by the management of Johnson Matthey Bankers, does my right hon. Friend agree that considerable good may yet come out of it, because of the important reforms and changes to banking supervision in the legislation that he has announced in his statement? Does he further agree that, far from sweeping matters under the carpet, as the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) appeared to be claiming, the Governor of the Bank of England deserves some credit for setting new standards of openness in this matter with the full record which has been published today in the Bank of England's annual report? Does not that candour compare favourably with the cover-up operation which the Labour Government carried out throughout the secondary banking crisis when details of the many bank rescues and lifeboat operations were completely concealed from the House of Commons by the then Ministers?

Mr. Lawson: My hon. Friend is correct on each of his points. I hope that good will come from, as he said, the appalling and bizarre record of incompetence and mismanagement by Johnson Matthey Bankers and the collapse. I believe that it will. I believe that we shall have a much better banking supervisory system than we have had hitherto.

Mr. D. N. Campbell-Savours (Workington): Is not the truth that there has been far too much socialising between JMB and Bank of England personnel and far too little supervising? If everything is being revealed, why does the Chancellor not publish the Price Waterhouse report? What is in it? Why cannot the public know its contents? Will it reveal the extent of the Bank of England's negligence? Why does everyone resist publishing that crucial document, which would enlighten the British public and reveal the full nature of the negligence of the Government, the Bank of England and JMB?

Mr. Lawson: I recommend to the hon. Gentleman that he reads the account given in the annual report of the Governor of the Bank of England, which was published today. As my hon. Friend the Member for Thanet, South (Mr. Aitken) said, he will see a great deal of information. It contains far more information than was ever provided by the Labour Government. The Price Waterhouse report was commissioned by the Bank of England to assist it in assessing the position in JMB. It contains details of the accounts of the customers of JMB, which, of course, cannot by law be published. To publish it would also undermine to some extent the suit——

Mr. Campbell-Savours: The cover-up.

Mr. Lawson: No, the legal action—that the Bank of England, through Johnson Matthey Bankers, proposes to take against the auditors, Arthur Young McClelland Moores and Co.

Mr. Tim Smith (Beaconsfield): My right hon. Friend mentioned the tough recommendations made in March to the Governor's committee by the English and Scottish Institutes of Chartered Accountants. Many of those have been incorporated in the committee's report. Does my right hon. Friend agree that the opening up of the relationship between the Bank of England and individual banks' auditors lies at the heart of any improvement in banking supervision? Will he ensure that those recommendations are implemented as soon as possible — even ahead of any legislation — if necessary, voluntarily?

Mr. Lawson: I agree with my hon. Friend. Those points are at the heart of the matter. Some require legislation, because at the moment there is an iron curtain both ways between auditors and supervisors. The auditors, by their code of professional confidentiality, feel that they cannot reveal to the supervisors what they learn about a

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bank. Equally, under the Banking Act 1979, supervisors are not empowered to reveal what they discover to a bank's auditors. The iron curtain must be removed in both ways.

Mr. John McWilliam (Blaydon): Will the Chancellor tell the House whether the Governor of the Bank of England was aware of his intention to make a statement to this House on 17 December at any time before he made that statement?

Mr. Lawson: Yes, Sir.

Mr. Gerald Howarth (Cannock and Burntwood): Will my right hon. Friend confirm that those who made the ill-judged banking decisions have now been dismissed from Johnson Matthey and have nothing further to do with it?

Does my right hon. Friend agree with the report's assertions that it is the flexible nature of the supervisory regime in London that has made it the centre of the financial world, with the Bank of England now supervising more than 600 institutions, most of which are not British? Will he ensure that nothing is done to imperil the City's standing in that respect?

Mr. Lawson: I agree with my hon. Friend. The chairman, deputy chairman, managing director, deputy managing director and two other directors who had responsibility for the banking operations have resigned. I am, of course, referring to the old board.

Mr. James Lamond (Oldham, Central and Royton): Will the Chancellor answer a question which, rather surprisingly, has not been asked by his hon. Friends who allege that they are very interested in the taxpayers of this country? Will he tell me—in round figures, if necessary —exactly how much my constituents, as taxpayers, will have to find to meet the provisions in this statement?

Mr. Lawson: Nothing.

Sir Kenneth Lewis (Stamford and Spalding): Is my right hon. Friend aware that I support the package that he has put before the House to deal with this matter? However, I have a feeling that if this company had been wholly industrial and approached its bankers, they would have said that it was lost and, therefore, should get lost. The company would not have received support. It is a privileged community.

Will my right hon. Friend say to the banks generally that it would be a good thing if they could support industry in return for the support that they obviously receive?

Mr. Lawson: If my hon. Friend is under the impression that any bank that gets into difficulties will automatically be rescued, I am happy to take this opportunity to say that that is certainly not the case. The banking community should be well aware of that. In this particular case, for the reasons that I have already given, the Governor felt that it was right to mount a rescue.

Mr. Max Madden (Bradford, West): The Chancellor appears to be unduly nervous today about his statement, which may in part be due to his anxiety about the whereabouts of my hon. Friend the Member for Bolsover (Mr. Skinner), who has taken a great interest in these matters. I can tell him that, like so many other hon. Members, he is campaigning in the Brecon and Radnor by-election. I am sure that the right hon. Gentleman's statement will do nothing to answer the very serious questions that my hon. Friend and others have been asking.

Are we not told that people like the Chancellor take the view that all uneconomic units should die—that that which cannot create a profit should die? In view of that, why on earth was this bank propped up with public money? Will the Chancellor give a clear assurance that not a single penny piece of public money has been used to shore up that uneconomic bank?

Mr. Lawson: I have already made the position on public money very clear—not only on this occasion, but on a previous occasion. Currently, the exposure of the Bank of the England in terms of money that may be lost looks like being £34 million. However, we must take into account what the bank will receive when it sells Johnson Matthey Bankers back to the private sector. There is also the question of what it might receive as a result of the legal action it proposes to take against the auditors Arthur Young.

On the hon. Gentleman's first point, I think that he is confusing my demeanour. It is not nervousness, but deep disappointment at the absence of the hon. Member for Bolsover (Mr. Skinner) from our proceedings.

Viscount Cranborne (Dorset, South): Does my right hon. Friend accept that his remarks about fraud will be widely welcomed, especially in view of recent events at Lloyds and in other parts of the City, which have far too often led to the clear indication in certain parts of the press that people who perpetrate white-collar fraud get away with it while blue-collar fraudsters and criminals do not?

Mr. Lawson: I have considerable sympathy with my hon. Friend's sentiments. I hope that nothing that is said in this House will give the impression outside that the appalling conduct of those responsible for the happenings at Johnson Matthey Bankers is in any way typical of British banking.

Mr. Stuart Bell (Middlesbrough): In response to the question asked by my right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon) on 17 December, the right hon. Gentleman said that only £1 was invested in Johnson Matthey by the banking department of the Bank of England together with an indemnity of £75 million from the banking sector. He told my hon. Friend the Member for Sedgefield (Mr. Blair) that he was informed the following day that there was a £100 million deposit with Johnson Matthey. Why has he waited six months to give the House that information? Does he agree that he should have given a full personal statement to rectify that error once it had been brought to his attention? Does he not owe the House an apology?

Mr. Lawson: I do not accept any of that. I have been open with the House since December last year when I made a statement, although I was under no pressure to do so. There was certainly no request for a statement from the Opposition. Opposition Members have not asked a single question about Johnson Matthey or banking supervision——

Mr. Madden: What about my hon. Friend the Member for Bolsover?

Mr. Lawson: I accept that there were one or two questions from the hon. Member for Bolsover, but there has been no question from the Labour Front Bench. As for the hon. Member for Bolsover, he is not even here.

I made that statement and also set in motion the review of the supervisory system. As a result, we shall get a better supervisory system — not only through legislation, but because of the changes that the Bank of England is introducing. I should have thought that the hon. Gentleman would welcome that.

Mr. Eric Deakins (Walthamstow): Is the Chancellor satisfied that resignation is a suitable punishment for directors responsible for such financial mismanagement and incompetence? What sort of example will that set for people in the rest of the economy?

Mr. Lawson: It is not just a matter of resignation. The shareholders in the Johnson Matthey parent company have lost 70 per cent. of their money — well over £200 million. Of all the money that has been put behind the staggering losses of bad debts, 86 per cent. is private sector money.

Mr. Jack Straw (Blackburn): Just who was the Chancellor trying to kid when he told my hon. Friend the Member for Oldham, Central and Royton (Mr. Lamond) that not a penny piece was at risk for the taxpayer? On our reading of his statement, it is likely to cost up to £134 million from the public purse. That is the extent of the risk. It is well over half the amount of money that was taken from beneficiaries of child benefit. If no public money is at risk, why is the Chancellor making this statement in his capacity as Chancellor, and where will the £134 million come from?

Mr. Lawson: The hon. Gentleman has got his figures completely wrong. The £34 million is indeed money that is lost in the sense of recovering bad debts; but, as I said earlier, against that must be set the money that will be recovered when Johnson Matthey is sold. The money that is then recovered will, as I said in my statement, include the £100 million additional capital that has been put in. That will be paid first. Therefore, currently £34 million is the risk, but money will be recovered from the sale of Johnson Matthey Bankers, and money may also be recovered from the legal action against the auditors.

European Community

5.10 pm

The Minister of State, Foreign and Commonwealth Office (Mr. Malcolm Rifkind): I beg to move,

That this House takes note of the White Paper on Developments in the European Community, July to December 1984 (Cmnd. 9485), of the Report to the European Council of the Ad Hoc Committee for Institutional Affairs (the Dooge Report), and of European Community Documents Nos. 11911/1/81 on a conciliation procedure between the European Parliament, the Council and the Commission, 10350/82 on stronger action in the cultural sector, 8667/82 and 4469/85 on the easing of controls and formalities applicable to nationals of member states at Community internal borders; and welcomes the Government's determination to seek early progress towards completion of the Common Market and to ensure that the easing of checks at frontiers is compatible with the fight against drug trafficking, terrorism and illegal immigration.

Mr. Speaker: I have selected the amendment in the name of the Leader of the Opposition.

Mr. Rifkind: The Government welcome this opportunity for the House to consider not only the report of the Ad Hoc Committee for Institutional Affairs and the other documents mentioned in the motion but the important questions to be dealt with at the Milan summit later this month. No one will dispute that that summit will be discussing issues and perhaps reaching conclusions which may chart the whole future of the Community in the next few years. It is therefore right and proper that the House should have the opportunity to condsider the issues as the Scrutiny Committee has suggested.

I intend to concentrate on the Dooge committee and other matters to be dealt with at the Milan summit. My hon. Friend the Parliamentary Under-Secretary of State will comment on the Frontier proposals, on questions of culture and on matters raised in the debate when he replies. As the House will shortly have an opportunity to consider important budgetary and own resources questions, I shall not comment on those matters today apart from some brief observations on one point referred to in the White Paper regarding budgetary discipline.

In the recent disagreement among Agriculture Ministers, the German Government used their veto in relation to cereal prices. It has been suggested that that was clear evidence of the Community's inability to consider proper budgetary discipline. Two simple points should be borne in mind by those who make such accusations.

First, this was one of the increasingly frequent but still all too rare occasions when the dispute was not about a price increase but about the appropriate size of cuts. The Agriculture Ministers had already agreed cuts throughout the whole range of agriculture prices apart from cereal and rapeseed. Even on the latter two commodities all the Community Governments, including the Germans, accepted the principle of cuts but disagreed about the appropiate size. That is substantially different from the type of debate that used to take place just a few years ago.

Secondly, in the past the United Kingdom was always in a minority of one to nine on these matters. On this occasion the voting was nine to one but we were in the majority. All member states, including the United Kingdom, supported the principle of reduction so that instead of arguing a lonely case we were in the company of the French, the Italians and the vast majority of other member states.

Mr. Tony Marlow (Northampton, North): My hon. Friend seems to be suggesting that sense and reason have suddenly broken out in relation to the common agricultural policy, but can he say by how many percentage points the proportion of the total Community budget taken up by the common agricultural policy will be lower this year than it was last year?

Mr. Rifkind: Under the provisional draft budget proposed by the Commission agricultural expenditure would be about 64 per cent. of total Community expenditure compared with 71 per cent. in the current year. Those are the latest figures available.

Mr. Nicholas Budgen (Wolverhampton, South-West): What assumptions are made about the value of the dollar?

Mr. Rifkind: The Commission has to work on the basis of the information available to it. It is no more able than any national Government to speculate about future trends in exchange rate. No one can suggest that the Commission, the Community or the Council of Ministers should be blamed for exchange rates over which they have no control.

Mr. Budgen: What are the assumptions?

Mr. Rifkind: The Commission works on the facts available to it at this stage, not on vague assumptions of the kind to which my hon. Friend the Member for Wolverhampton, South-West (Mr. Budgen) seems to be addicted.

Mr. Teddy Taylor (Southend, East): Is there not a danger of the Minister inadvertently misleading the House by suggesting that price levels relate to budgetary discipline? In fact, the consumers pay the food prices. The Common Market pays the dumping and storage costs. Does my hon. Friend agree that £7,000 million per year or £20 million per day is spent on the storage, dumping and destruction of food surpluses and that there is no suggestion in next year's budget or anywhere else that that expenditure will be reduced?

Mr. Rifkind: My hon. Friend may be surprised to know that the Government share his desire for important reforms in relation not just to the dumping of surpluses but to their creation in the first place. I believe that the whole House is united on that.

Mr. Budgen: Will my hon. Friend give way?

Mr. Rifkind: My hon. Friend will forgive me if I do not give way to him again. I am sure that he will have an opportunity to participate in due course.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): This is the official Opposition rather than the unofficial opposition. Will the Minister confirm that the EEC budget has been drawn up on the basis of a 3 per cent. cut in cereal prices? If that is not achieved, will there be a request to member states for a loan or some kind of reimbursable advance?

Mr. Rifkind: The Commission has said that in the absence of an agreement on cereal prices it is taking certain administrative actions on the basis of a 1·8 per cent. reduction in cereal prices. Those proposals could be changed if a decision is reached by the Council of Ministers on a different level of reduction.

Mr. Foulkes: That is exactly my point. If the operation is based on 1·8 per cent. and the budget on 3 per cent., there will be a shortfall. How will that shortfall be made up? Will it be made up by means of a further loan or what is known as a reimbursable advance requested from member states? In other words, will we be asked for more money?

Mr. Rifkind: The Commission proposals for a 1·8 per cent. reduction in cereal prices are entirely consistent with the permitted framework for agriculture expenditure arising from the Fontainebleau mechanism. I hope that that will reassure the hon. Gentleman and his colleagues.

On the Dooge report and the Milan summit, since the Fontainebleau agreement the British Government have been able to concentrate their activities on putting forward major improvements in the working of the Community across a wide range of issues. A significant factor in the past 12 months has been the extent to which, for the first time in many years, the Community has ceased to be obsessed with the single dominant issue of United Kingdom relations with other member states. That is a matter of great satisfaction to the Community as a whole as well as to the United Kingdom. As a result, the British Government can now take on the role in the Community that many people believed that we could take from the moment of joining some 10 years ago.

In the Dooge committee, in the informal meeting of Ministers at Stresa and in relation to the forthcoming Milan summit, the United Kingdom has taken the initiative on a wide range of issues including political co-operation, completion of the internal market, improved decision-making, political co-operation on other aspects of foreign policy, and other important subjects. Our approach to these questions is to be progressive and idealistic but to insist on a hefty dose of realism in the various reforms put forward for consideration within the Community.

Sir Russell Johnston (Inverness, Nairn and Lochaber): Do I understand that the Minister said that the Government are progressive and idealistic?

Mr. Rifkind: I most certainly did say that. It is sensible for the Government and for the United Kingdom to be idealistic in their attitude towards the European Community. I also emphasised that we believe, unlike the hon. Gentleman and his colleagues, that idealism should always be balanced by sound common sense. Indeed, that is the basis of our approach. We are often sceptical about the various initiatives that are proposed in some quarters, but we are never cynical about the need for change and progress in the European Community. Traditionally and rightly, the country is cautious when serious and radical proposals are put forward to change institutions. I do not believe that such caution is a matter of shame, nor should it be a source of embarrassment. A policy based on realism, common sense and caution is quite consistent with the original ideas of the European Community. Jean Monet, one of its founders, said that Europe would be built one step at a time. That is also the view of the Government.

Some of the specific proposals that are discussed in the report of the Ad Hoc Committee for Institutional Affairs will undoubtedly be considered at the forthcoming summit in Milan. There are three main issues on which the Government hope there will be progress at Milan—the completion of the internal market, the improvement of political co-operation and improvements in decision-making in the Community.

With regard to the internal market, the United Kingdom is probably one of the first countries in the Community to emphasise the extent to which the Community has failed to implement one of the obligations under the treaty of Rome.

For some time we have emphasised the need for steps that will result in the completion of the internal market. Such steps should be greater than the simple declarations of intent and should involve practical measures and form a timetable for these matters to be implemented. Those proposals, which I in my capacity as the Britsh representative on the Dooge committee put forward, were unanimously endorsed by that committee in its recommendation to the European Council. We were delighted when Mr. Delors, the new President of the Commission, said, in his opening speech, that he also regards as a priority the completion of the internal market by 1992. It is a target to which he and the Commission are firmly committed and for which they intend to press with all the strength at their disposal.

Earlier this week we published the White Paper of Lord Cockfield, the Senior British Commissioner in the European Commission, which makes many proposals for harmonisation and approximation of laws which the Commission argues are necessary and desirable for the completion of the internal market. The Government welcome that document and the broad thrust of its proposals, especially the target date of 1992 and the detailed way in which it states that it hopes that the proposals will be implemented.

There are some 300 proposals for harmonisation in that White Paper and we shall examine each in close detail. It might be helpful for me to give the Government's attitude about harmonisation. We do not believe in harmonisation for its own sake. When harmonisation or approximation of laws assist, the improvement of competition in the Community and benefits consumers and the public generally, the advance is desirable. However, if it is not possible to demonstrate such advantages for people, the Community or the economic interests of member states, harmonisation is unnecessary and undesirable.

Mr. Marlow: As my hon. Friend knows, in Brussels, many of these things are put together in a batch—"We scratch your back and you scratch ours." Can he give a commitment to the House that, if faced with three measures, two of which are good and one of which is bad, he will still decline the bad one?

Mr. Rifkind: I am sure that my hon. Friend realises that the Government would never wish to accept or agree to a proposal that they believed was contrary to the interests of the United Kingdom, whether it be one out of three or one out of 53.

Most of the proposals in Lord Cockfield's White Paper seem highly sensible and attractive at first glance but in one example—tax harmonisation or approximation—the case has not been proved. The case has been put forward by the committee and we shall consider the proposals in close detail and in a constructive spirit. However, we do not believe at this stage that the case has been argued with sufficient conviction that, to achieve an internal market which will encourage competition and benefit trade and economic development such as we would like, we must achieve tax harmonisation.

The United States has 50 separate states, many of which have their own direct and indirect taxes. We have not yet heard a convincing argument that those differences have led to inadequate competition or an inadequate internal market there. That factor is of interest to the United Kingdom, but the United Kingdom is not alone in having strong views on the matter. Some member states would have to make even more substantial changes than the United Kingdom if tax harmonisation were adopted in the Community.

If we take the example of excise duties, for example, we find that if France were to harmonise its wine duty there would be an increase in excise duty of no less than 229 per cent. which is unlikely to be popular in France. In Germany, approximation of excise duty on beer would require an increase of 223 per cent. In Italy, approximation of tax on diesel would require an increase of not less than 886 per cent. In Greece, the approximation of excise duty on spirits would require an increase of over 2,500 per cent. This is clearly a matter of controversy in the Community and the Government will consider such evidence as may exist on how tax harmonisation or approximation would assist the objective of the internal market and improvement of the prosperity of the Community as a whole.

Mr. Teddy Taylor: Although I welcome what my hon. Friend said about one of the points in Lord Cockfield's White Paper which was considered vital for the completion of the Community, will my hon. Friend make it abundantly clear that the Government are not prepared to depart from their consistent, oft-repeated policy that they will not impose value added tax on food, gas or electricity?

Mr. Rifkind: My hon. Friend is aware that that is a matter for my right hon. Friend the Chancellor of the Exchequer. My hon. Friend will not expect me to speak on such matters. However, I am aware of no proposal to do anything of that kind.

Mr. Nigel Spearing (Newham, South): Before the hon. Gentleman leaves Lord Cockfield's White Paper, can he put us in the picture procedurally? Is it not a fact that this is not a White Paper but a communication from the Commission? Secondly, has that communication been officially received by the Government and will it be presented to the House? Will it be discussed formally or informally at the Milan summit?

Mr. Rifkind: I confirm that the White Paper is a communication from the Commission as a whole and not from an individual commissioner, though the noble Lord has taken a leading role in its preparation. I hope that the document is currently available in the Library. The Government have received it in the last few days. There will undoubtedly be a general discussion about the internal market at the Milan summit, and the subject will be raised by some of those present. Given that this is a series of proposals from the Commission, I would not expect a decision on tax approximation either to be reached or sought as early as the Milan summit.

Mr. Budgen: I should be grateful if my hon. Friend would take the opportunity of commenting on the proposal on page 15 of the Dooge report called

"Gradual establishment of a homogeneous judicial area"

because it suggests that the European Court of Justice may play an even more important role in future. That may show that the Government are in favour of encouraging people, such as Myra Hindley, further to undermine the supremacy of Parliament by appealing against—*[Interruption.]* The

[Mr. Budgen]

European Court of Justice is referred to in the document as part of the European family of institutions. Would my hon. Friend be good enough to descend to detail, to look at page 15 and to say what the Government's position is?

Mr. Rifkind: I am sorry to say that my hon. Friend seems, somewhat unusually, confused. As I understand it, Miss Hindley's potential application is to the European Court of Human Rights. I am not aware of a suggestion, either in the Dooge report or elsewhere, that people in her position would be able to appeal to the European Court of Justice. Certainly, the European Court of Justice's present terms of reference and its likely competence in the foreseeable future make it improbable that such an application would be competent for it.

Mr. Eric Forth (Mid-Worcestershire): This is an important point, and there should be no confusion about it. On page 15 of the Dooge document it states that the establishment of a homogenous judicial area means

"increasing protection of fundamental freedoms and rights as they derive from common basic principles and the European Convention on Human Rights."

Therefore, the convention is mentioned in the Dooge document and forms the basis for the activities of the Court of Human Rights in Strasbourg.

Mr. Rifkind: I thank my hon. Friend for his question, which was intended to be helpful. I am not sure whom it was intended to help, and perhaps I should have asked him before I gave way. Neither the British Government nor other Governments intend to contemplate giving to the European Court of Justice competence for dealing with such matters. I am not aware of a proposal to that effect from any member state, nor do I believe that it is likely.

I shall now deal with the second main issue, which will be of considerable importance at the Milan summit—the question of political co-operation. In many respects political co-operation is one of the success stories of the Community. During the past 15 years a substantial habit of close co-operation and consultation has developed between the member states on matters of foreign policy. Indeed, political co-operation is an excellent example of how, without any amendments to the treaty, it is possible for member states to develop and achieve close co-operation and consultation on matters of mutual interest. The United Kingdom benefited considerably from the strong unanimous support given by member states when the Falkland Islands were initially invaded. The European Community, through the Venice declaration, made a substantial impact on the thinking on matters affecting the middle east.

The Government's proposals at the Stresa meeting of Foreign Ministers are intended to improve political co-operation. First, we believe that it is highly desirable that at this stage in the development of political co-operation a small secretariat should be established to assist the Presidency of the Council of Ministers at any given time. Because the Presidency changes every six months, there is insufficient continuity, which causes problems. It is widely recognised that there should be a small secretariat. No one, and certainly not the British Government, wants an unwieldy bureaucracy or anything other than the minimum required to assist Community Foreign Ministers.

Secondly, it is desirable to see progress made to enable the Council of Ministers to discuss issues affecting other parts of the world, and to involve themselves in questions of security. Clearly, there is an important distinction between security and defence. Given the fundamental commitment of most member states to the NATO Alliance, it would not be appropriate for the 10 Foreign Ministers to involve themselves with issues of defence. Clearly, there are political implications to matters such as East-West relations, the attitude of Western Europe to the countries of Eastern Europe, and the consequences of development in NATO and elsewhere. In the view of the British Government and most of the Community Governments, it is desirable that such matters should be available for discussion by the Council of Ministers when they meet in session.

Mr. George Robertson (Hamilton): In what way would that complement or conflict with Western European Union?

Mr. Rifkind: As the hon. Gentleman will know, Western European Union is primarily concerned with defence, as is the North Atlantic Alliance. The Community should be primarily concerned with political implications rather than defence implications, especially as countries such as Ireland are not members of the Alliance, and other countries in NATO are not members of the Community. Therefore, it is necessary to make a distinction. I concede that there is no neat and easy line of demarcation. However, it is helpful and sensible for EC countries to be able to consider East-West relations and attitudes, and other such matters.

The third main question, which the House will consider to be the most important, relates to decision-making within the Community, the national veto, and the objective of majority voting. Some people suggest that in recent years the Community has been experiencing a form of paralysis in its inability to make progress on matters of supreme importance. The British Government do not accept that. Although progress has been slow, the agreement at Fontainebleau, the success of enlargement negotiations and other recent important developments show that the Community is able to reach decisions.

With 10 member states it is not suprising that the Community takes a considerable time to reconcile the often different traditions and interests of member states, and to reach agreement. We believe that, although progress has been made, it is sensible to consider ways in which quicker, more effective progress can be achieved, especially in the light of the imminent enlargement of the Community to include Spain and Portugal. Clearly, a Community of 12 member states will find it even more difficult to reach agreement on a wide range of issues.

The Government believe that it is desirable to encourage more majority voting within the Community. We should like to see more majority voting under those clauses of the treaty that already provide for majority voting, and where the practice has grown up for the Presidency not to ask the Council to reach a decision, unless the Presidency is already assured of a unanimous response. We do not wish to see a change in the treaty, nor do we see a need to consider amendments to the existing treaty. However, on a wide range of issues where there is an overwhelming and qualifying majority, it should be normal to proceed to a vote, and for the Council to come

to a decision. I must emphasis that our support for more majority voting within the Community can be forthcoming only on the basis of a continuation of the right of national veto when matters of important national interest are at stake.

The Government believe that it is right to keep a balance between a general increase in majority voting in the Community and those occasions when important national interests are at stake and the member state will wish to continue to have a fundamental right to insist that discussions should continue until agreement is reached. We do not wish the veto to be abused. We wish to ensure as far as possible that member states are discouraged from using the veto in matters that are not of vital national interest. Ultimately, that must be left to the discretion of the national Government. We cannot accept the suggestion that any member state would be able to determine what was, or was not, of vital national interest to another member state.

Mr. Hugh Dykes (Harrow, East): Would my hon. Friend agree that, because Governments have far too frequently emphasised the importance of the veto and suggested that it should be applied to matters of less than grave and profound national interest, they have not been able to condemn, for example, Germany's selfish refusal to agree to increased cereal prices? if there had been a more positive attitude towards the importance of majority voting, that action could have been condemned, as it should have been, by other member states. Indeed, the Germans might have hesitated before taking that drastic action.

Mr. Rifkind: I must emphasise that, although we disagreed with the German Government about the desirability of their action, we were emphatic that they had the absolute right to take the action if, in their judgment, a matter of vital national interest was at stake. That was the view not only of the British Government but of all the member states, apart from the Benelux countries and Italy.

Mr. William Cash (Stafford): The Dooge report states at page 26:

"When a Member State considers that its very important interests are at stake, the discussion should continue until unanimous agreement is reached."

The footnote states that my hon. Friend the Minister considers that,

"in order to prevent abuse, a member of the Council insisting that discussion should continue in this way should, through a special procedure of the Council, explain fully and formally why his Government considers that a very important interest is at stake."

In other words, reasons should be given. Could my hon. Friend explain more about that?

Mr. Rifkind: I had intended to do so, before the interventions. Although we believe that the national veto should remain, we should attempt to discourage its use for relatively trivial matters. The British Government have put forward proposals that will help towards that end.

There is rarely a vote in the Council. Those who wish to block progress sometimes need not publicly identify themselves and need never produce public justification for their actions. They must merely show their inability or unwillingness to support a proposal. The matter is put off until another day in the hope that their view might change. We believe, as do many member states, that if it is clear that a majority of the Community wishes to move in a particular direction, the normal procedure should be that the Presidency calls for a vote. Those who wish to block progress by invoking the veto should be required to do so publicly and, if necessary, produce a public explanation as to why they believe that there is a vital national interest at stake, instead of being able to do so privately and without revealing themselves. That would not prevent a member state using the veto procedure whenever it chooses but it would ensure that a Government would have to balance the domestic political advantages of using the veto against the political disadvantages in terms of their relationship with the Community and their objectives in other areas.

Mr. J. Enoch Powell (South Down): When the Minister uses the expression "publicly", is it now envisaged, as many of us have long thought should be the case, that the proceedings of the Council should be public and reported, since the Council is the legislature of the Community? How, otherwise, can the declaration be public?

Mr. Rifkind: No such specific proposal is being considered, but the British Government have said that they would positively welcome the introduction of a procedure whereby, when the veto was invoked, the reasons given to the Council of Ministers as to why a vital national interest was at stake are subsequently made public knowledge. We have put forward that proposal, and we are willing to consider modifications to it to help to achieve the objective that we have identified.

Another matter that we would wish to encourage, as was suggested by my right hon. Friend the Prime Minister and by the Dutch Prime Minister at the Dublin summit at the beginning of this year, was that, in some areas where unanimity is presently required, if a member state wished to abstain rather than to oppose a measure, it would be possible for progress to be made notwithstanding the unanimity provisions of the treaty. Clearly, that would be at the discretion of the Government concerned, who would not be bound to act in that way.

The completion of the internal market, the improvement of political co-operation and the improvement of decision-making would, if agreed to by member states, represent a substantial and healthy package which would be of significant importance to the future of the Community. However, other matters are likely to be considered at the Milan summit, and I wish to speak briefly on some of those. First, we welcome the French proposal for EUREKA—for co-operation on European high technology—because we recognise the desirability of Europe achieving true competitiveness with the United States and Japan. But, as President Mitterrand has already said, the present problem is not inadequate expenditure on research. Indeed, Europe spends more on research than does either the United States or Japan. Therefore, the objective must be to achieve better value for the expenditure that is already being incurred by closer co-operation and co-ordination of our efforts.

Some people would like major changes to be made in the powers of the European Parliament. The British Government believe that the European Parliament has significant powers and that it should concentrate its efforts on the responsible use of its existing powers, not on considering whether they should be changed or increased. However, we are willing for the European Parliament to try more effectively to influence the Council of Ministers

[Mr. Rifkind]

when matters are being considered, for the simple reason that, at present, the European Parliament's view is often made known only when the Council of Ministers has already made up its mind. That is unlikely to lead to its views being taken into account. We have introduced proposals that would enable the European Parliament's view on any proposals of the Commission to be considered at a much earlier stage, so that when the Council of Ministers is reaching its conclusions on such matters it is aware of the views of the European Parliament and can take them into account in a sensible and constructive way. We do not believe in joint decision-making between the Council of Ministers and the European Parliament, as some have advocated. The decision-making right rests with the Council of Ministers, as it has done for many years. But we should welcome the opportunity for the Parliament to let its views be known in the way that I have suggested.

Mr. Dykes: Further to the interesting suggestion of the right hon. Member for South Down (Mr. Powell) about the Council of Ministers—being a legislative body, not a policy body—being susceptible to public hearings, does my hon. Friend believe that the committees of the European Parliament should hold all sessions in public, or more sessions in public, rather than excluding the public and the press, as they now do?

Mr. Rifkind: That is for the European Parliament to determine, but we would welcome anything that might lead to an improvement in the reputation of the Parliament and its ability to influence developments constructively. However, it must be for the Parliament to decide whether that proposal would enhance its objectives in the desired way.

The last matter on which I wish to comment is the proposal made by the majority of the Dooge committee, and which we have heard from some other quarters, that we should convene an intergovernmental conference to consider the future of the Community and to make recommendations to the Heads of Government on any changes that may be forthcoming. The Government, and a substantial number of other member Governments, do not see any necessity for an intergovernmental conference such as is proposed. One could say with some justification that the best intergovernmental conference is the European Council itself, being the body of Heads of Government whom we hope will be able to reach decisions at Milan on the matters that are to be considered. Those who wish to see an intergovernmental conference of the kind recommended by the majority in the Dooge committee, with a view to amending the treaty, are misguided about the best way of making progress in the Community.

Once one embarks on the road of treaty amendment, one must bear in mind that, in whatever area it is amended, it will require not only the unanimous agreement of all 12 member Governments but the unanimous ratification of all 12 national Parliaments. Even if any proposals were considered to be acceptable, at the least we would be contemplating a delay of one, two or possibly even three years before such a process would be complete. Her Majesty's Government believe that major progress can be made at the present time without amending the treaty and we would wish to see discussion focused on the particular issues that I have discussed.

Mr. Eric Deakins (Walthamstow): Will the Minister confirm that the discussion on the documents that we are considering this afternoon is taking place on a motion to take note? Will he confirm that Her Majesty's Government will not, therefore, deduce from today's discussion that the House approves of any or all of the recommendations in the documents?

Mr. Rifkind: I happily accept that. As the hon. Gentleman correctly says, the motion is a take-note motion and in any event it would have been the intention of Her Majesty's Government to report to the House after the Milan summit. If any significant decisions are reached at Milan, it would be right and proper for the House to have an opportunity to consider them and express its views on them. Any position taken by member Governments at Milan will be subject to the proper opportunity of their national Parliaments to consider any decisions that have been reached.

I look forward to the contribution that the Opposition will make to the debate. I regret that their amendment incorporates none of their ideas on the overall future of the Community. I can understand the reasons for that and I appreciate the difficulty for the hon. Member for Hamilton (Mr. Robertson). The only significant development made by the Opposition in the past year has been to sack Mrs. Barbara Castle as the leader of the Labour Members of the European Parliament. I hope that the hon. Member for Hamilton will join me in saying how much he regrets the sacking of Mrs. Castle by her colleagues and that he will recognise her as a person of considerable experience. Although we disagree with many of her views, she is able to make a serious contribution to the work of the European Parliament. We note that her successor seeks to see Britain withdraw from the Community and that his views are totally at variance with those of virtually the entire Socialist group in the European Parliament. I look forward to the hon. Gentleman's comments on that matter.

Her Majesty's Government believe that Britain is making an important and constructive contribution towards the vital debate about the future of the Community. We have had considerable discussions about the sort of harmonisation that is appropriate in the European Community. The Government do not believe in harmonisation for its own sake or that every member state should be encouraged to lose its own national identity. We believe that we should seek to bring together the countries of the Community where closer co-operation makes obvious sense.

Perhaps our objective and our attitude were best summed up in a remark made by G. K. Chesterton many years ago, before the European Community was ever conceived of, when he said:

> "The golden age of the good European is like the heaven of the Christian: it is a place where people will love each other; not like the heaven of the Hindu, a place where they will be each other."

That is not an unreasonable approach to take in our overall attitude towards the European Community. We seek to see the member states of the Community coming together in ever closer co-operation. We seek to see them join together where joint action makes sense and is beneficial to the citizens of our respective countries. It is on that basis that I ask the House to take note of the documents referred to on the Order Paper.

5.55 pm

Mr. George Robertson (Hamilton): I beg to move, to leave out from "House" to the end of the Question and to add instead thereof:

"calls on the Government to ensure that proper control is exercised over the Common Agricultural Policy; expects the Government to take all possible steps to ensure that expenditure is made subject to effective limits and urges the Government to use the British veto as necessary to protect very important national interests; urges the Government to ensure that areas in Britain with special needs receive a proper share of the regional aid budget; believes that the European Council should be fully engaged in planning jobs and giving particular attention to youth employment and should not dilute its energy by focusing on less important goals; urges the European Council to cut the burden of bureaucracy and to reduce the number of Community rules and regulations; and urges the Government to resist any proposals to dismantle border controls which would interfere with its ability to combat terrorism and drug trafficking.".

We in the Opposition are extremely glad that, even late in the day, the Government are debating in the House the major issues which will come before the Heads of Government conference at the European Council next weekend in Milan. It is not before time that the House of Commons had its opportunity to have a say on the great issues that preoccupy those who run the affairs of state in the European Community. A mere eight days before the summit, it would be fair to say that it is somewhat late for the House to have such a discussion. However, the Opposition have tabled an amendment in reasonable terms sufficiently criticising those aspects of the Community that we consider worth criticising. We hope that, in the light of the spirit in which it is moved, the Government will join us in a common approach to these problems.

Mr. Marlow: The hon. Gentleman mentioned the Opposition. Perhaps he would like to take the opportunity to explain to the House where the Opposition are today.

Mr. Robertson: If such remarks are going to characterise the comments made by the hon. Gentleman, I shall not give way to him again.

From the Minister's point of view, it is interesting that the vast majority of Conservative Back Benchers are here to attack rather than support the Minister. That will become apparent as the debate progresses.

The Minister rightly said that we need to pay special attention to the conclusions and proposals of the Ad Hoc Committee for Institutional Affairs, the Dooge committee, on which the hon. Gentleman sat as the Prime Minister's personal representative. The Dooge committee was set up to look at the problems that are presently afflicting Europe. It was intended to scythe through the tomes of paper, the miles of minutes and mountains of speeches, and to establish a blueprint for the new Community. Yet that committee was to turn out a mouse. It is destined to be a mouse of the wrong breed, colour and generation, and as a result to be thrown out of the litter. It is peppered with caveats and surrounded by reservations; notes of exception and explanation are all about; and now even the most acceptable recommendations look threadbare only a few months since its presentation. Lord Wilson once said:

"A week is a long time in politics."

Two months in the European Community is an eternity.

There has been talk of European union, of new treaties, of majority voting, and of the outlawing of the veto. There have been dreams of an intergovernmental conference, of a dynamic, thrusting, reinvigorated European Parliament, of a shining new external identity for the Community; and they all lie in the dust of a couple of months of the real European world. More than anything they lie in the wake of the cloud of high phrases, lofty ideals and naive aspirations, which were to founder significantly on a 1 per cent. increase in cereal prices.

Mr. Robert Jackson (Wantage): Is the hon. Gentleman by any chance referring to the Leader of the Opposition's call for a new Messina conference some years ago?

Mr. Robertson: The hon. Gentleman refers to the call for that conference, but not to the context in which it was called for.

I shall deal with the Opposition's proposals and our positive ideas for using the Community for the betterment of all citizens in the Community. The only support for the more extreme and full-blooded approach of the Dooge committee comes from the Members of the European Parliament who represent the British Conservative party. The hon. Member for Edinburgh, Pentlands (Mr. Rifkind) makes great play of the internal machinery of the British Labour group, but he would be wise to look at the voting record of the Conservative group. It has accepted a number of the radical suggestions that the Minister this afternoon dismissed as unreal and not fitting the context of the idealism epitomised by the Prime Minister and her Government.

Mr. Rifkind: Would the hon. Gentleman use this opportunity to say whether he agrees that the dismissal of Mrs. Castle is greatly to be regretted and that it is most unfortunate that the Labour group at Strasbourg is now led by someone who is committed to taking Britain out of the European Community? We are entitled to know the views of the official Opposition.

Mr. Robertson: I do not know what on earth that has to do with this House. Mrs. Castle was not dismissed. She stood in an election and somebody else won it. She has served with great distinction this House, the country, and the Labour party and she accepted with dignity the decision that was taken by the Members of the European Parliament who serve on behalf of the Labour party.

All that we are promised at the Milan summit next weekend are cosmetic formulas about majority voting, palliatives for the European parliamentarians and yet another vision, this time from the reborn Lord Cockfield, of a Europe without lorry queues, passports and tax differences. It is small wonder that the meeting of the Foreign Affairs Council this week turned from a two-day event to a one-day event that had security at Athens airport at the top of its very thin agenda. The lesson of this latest attempt to drag up yet again the roots of the European Community to examine whether they are growing is that one is looking at the wrong plant.

What is the European Community today? It is a conglomeration of 12 countries, all of them in the teeth of a recession; all of them with high and static unemployment levels and with worrying levels of young people out of work; all of them agonising in the face of competition from Japan, the low-wage economies of the far east and the expansion-led boom in the United States of America; all of them practising different economic policies; all of them part of the European Community, with all of them paying lip service to its objectives but all of them, this nation included, doing their own thing whenever the common rules do not suit them.

[Mr. Robertson]

One stark fact stands out above all others: 14 million citizens of the European community of nations are without jobs, and two out of every five of them are under the age of 25. I am sure that the British people will notice that during the Minister's 50-minute speech this afternoon he did not utter one word about unemployment, or express one degree of sympathy for the unemployed millions across Europe, and that he did not offer a single suggestion about how the European Community could reform itself so that some of the 14 million might find work.

That issue should be concentrating the minds of the Heads of Government next weekend. It should be galvanising action for growth and employment among the leaders of the European Community. That fact alone should be at the top of the agenda of every meeting of every committee. The fact that it is not and that it remains the great unmentionable, both in Brussels and in the Minister's speech, signifies the paralysis that affects the European Community today. It underlines the cynical betrayal of the jobless generation who seek work, a future and hope but who see the councils of this immense community of nations playing, even tinkering, with institutions when what is missing is the political will to act. Without that political will and an agreed commitment to take joint action for growth, all the institutional tinkering in the world will be seen as an irrelevant and distracting sideshow in the face of the plight of these people.

The sad, bitter truth of the exercise that was the Dooge committee was that it followed the path of the dreamers and idealists whose vision ignored present problems and imagined that by institutional devices—some new and some reworked—a new direction would be discovered. The French veto, whether official or unofficial, on a new round of GATT talks and the spectacular German veto on grain prices was all that was needed to dispel the clouds of emotional rhetoric which curtained off the genuine dilemma facing the people of Europe.

I concede that there is a place for dreamers and visionaries, but I give my voice—and I know that my party would give its voice—to those who dream of work, of secure incomes and of no poverty, whose vision is of a prosperous, growing European economy that is able to deliver the goods to its people.

Sir Russell Johnston: Does that mean that the Labour party has ditched idealism for pragmatism?

Mr. Robertson: I should like to take this opportunity of congratulating the hon. Member for Inverness, Nairn and Lochaber (Sir R. Johnston) upon his elevation to the knighthood. I do not know whether that signifies anything about his idealism, but I know that the House will warmly welcome his elevation to the Establishment. The answer to his question is no, it does not mean anything of the sort. The Labour party is as committed to the ideal of full employment as it ever was, but the idealism that we envisage for the European Community relates to what it can do for the people of Europe, not to the kind of institutions that it can erect as memorials to great statesmen.

Mr. Dykes: Does that mean that the Labour party is also officially committed to Mr. Lomas's manifesto objective of taking Britain out of the European Community?

Mr. Robertson: The Labour party is committed to the manifesto of the Labour party, not to the individual views of either that spokesman or the spokesman in the European Parliament.

The Dooge committee made no precondition about co-ordinated expansion, or research programmes, or any protection for areas that are likely to be casualties because of the envisaged new competition; nor, more importantly, did it look at the absurdity and the irony of the uncontrollable, unreformable common agricultural policy. How, in all conscience, can we look to a revamped, reorganised, freshly committed European Community without facing the contradictions of the CAP? It swallows the Community's cash. Its appetite for resources leaves all the other spending programmes savaged. The CAP stocks up obscene mountains of food as we watch every night on television millions of starving people, yet it cannot efficiently move the stockpiles to the places where the food would be useful.

The CAP is becoming the common market, and it is the obstacle to real action. It is the obstacle to research projects and to progress on energy, industry and even reorganisation. Its pre-emption of over 74 per cent. of Community resources, however the Minister of State may choose to interpret the figures for the coming year's budget, reduces all other programmes to a joke, yet the Dooge committee ignored it and in the process devalued the purpose of the exercise. The CAP has made a mockery of budget discipline. The eternal promise from each summit and the Bill that we shall be debating next Tuesday demonstrates what budgetary discipline really means—the football hooliganism of European accountancy.

May I now deal with the central, specific recommendations of the Dooge committee: the abolition of the veto in meetings of the European Council, increased powers for the European Parliament, and reform of the internal common market. First, nobody minimises the frustrations of the European Members of Parliament who are denied any real role in the European Assembly. They are caught up in the web of bureaucracy and the lost direction of the Community. However, that alone is not a reason for increasing the powers of the European Parliament. There appears to be a degree of unanimity between the Government and the Opposition on that point.

The committee's suggestion with respect to new powers over revenue raising is a move into dangerously uncharted territory and towards a form of federal union that would not be acceptable to most of Europe's national Parliaments. The idea floated in this document is not backed up with any full measurement of the move's significance and consequences, and it has little future. The European Parliament does not need an increase in its competence to be more effective. It must use its existing competence more efficiently. Given the political inertia of other Community institutions, it is both desirable and within the European Parliament's existing powers to put forward more positive initiatives. I strongly endorse the point made by the hon. Member for Harrow, East (Mr. Dykes): the fact that the European Parliament's committees are not open to the public is not something of which it should be proud.

Mr. Marlow: If the hon. Gentleman does not want to increase this institution's influence and competence, would it not be better to refer to it as the European Assembly? It is not a parliament. It does not have

legislative powers. If people increasingly refer to it as a parliament, they will give it ideas beyond its station and it will want to increase its influence and competence. If, like me, the hon. Gentleman would like to keep that institution in the position for which it was designed, will he refer to it as the European Assembly?

Mr. Robertson: I am always willing to take advice from my betters, but I think that the courtesy title of "Parliament" will be sufficient, although it is an Assembly, as I have said.

With the abolition of the veto we are moving into an apparently much more radical idea where pie in the sky has been elevated to a political ideal. The past few weeks have seen the first use since 1967 by the Germans of the veto. That was over a modest—one might even say feeble—attempt to restrict agricultural spending this year. The past few weeks have also seen the threatened veto by France in another GATT round. Today's newspapers show that Germany is again willing to exercise its negative power over the recent agreement to curb vehicle exhaust fumes. This is the reality behind the rhetoric.

Everyone says that he wants majority voting—as if that panacea alone would answer all the unanswered problems—but no one is willing to give up the veto. Hans Dietrich Genscher, the German Foreign Minister, was quoted in yesterday's newspapers as saying that he disagreed with the German Government's use of the veto. I am tempted to suggest that the degree of unity in the German coalition is almost as close as the unity in the Conservative coalition in Britain — and just as successful, judging by recent election results. One newspaper article stated:

"Mr. Genscher indicated in the interview that he had disapproved of the German veto, and said it underlined how vital it was to make changes so that similar conflicts could not recur."

We have the dramatic situation in which the Germans are strongly and enthusiastically in favour of eliminating the veto so that the German Government will not feel tempted to use it and all the threats that follow its use. Although the Minister of State has advocated greater use of majority voting, he has not spelt out where and when that will happen.

One must of course make the reservation that individual states will always protect their national view. It is inconceivable in a community of sovereign states that the right of each nation to define its national interests should not be integral to the Community's structure. That right cannot simply be wished away. The European Community is not a federation, even if some pretend that it is or would like it to be one. It would be more honest if the Government were to rely less on vague pronouncements of "more majority voting" and instead spelt out the precise areas where they would wish to reserve the right to protect the nation's interest. The Government have not done that so far. Are they to save this remarkable formula for Milan, or is it all part of the general Europe ideology which seems to be bound up with the general debate on this summit?

I turn to the question of the internal market, the sweeping away of frontiers, border controls and barriers to trade, both visible and invisible. Just in time for the summit, along comes this true-blue blueprint in the somewhat improbable shape of the exported Lord Cockfield, who has shot to fame with a vast report, which became available only today, demanding an immediate full Common Market.

I draw the attention of the House to an article in the *Financial Times* on Tuesday this week in which, remarkably and unusually, the headline told more than the text. The headline stated:

"Lord Cockfield: Little to lose and he knows it . . ."

The article went on to eulogise his ideas. It stated:

"When Lord Cockfield stood before the Press on Saturday to present his White Paper on Completing the Internal Market to the public, he waxed positively lyrical. His presentation was delivered in the same slow, almost pedantic way which must have infuriated his British Cabinet colleagues. But the content was thunderous rhetoric—'it will fundamentally alter the face of Europe for the rest of our lifetimes'—and even a few well-placed jokes. His Lordship was in his element."

Later this glowing tribute to Lord Cockfield—he was peremptorily dismissed from the Prime Minister's Cabinet without any election—stated:

"When it became clear that he was determined to press ahead with the idea of fiscal reform—bringing the indirect tax rates of member states roughly into line, so that frontier tax checks would prove superfluous—the idea caused consternation to the Treasury. Lord Cockfield was summoned back to Downing Street to explain himself."

The independent commissioner was hauled back by the Prime Minister to explain his revolutionary concept for Europe. Today, the Minister of State put the final seal on Lord Cockfield's report by telling us that harmonisation of tax levels is not on.

In this context, both Dooge and Lord Cockfield again missed the central point of today's Euro-economic-sclerosis — the problem is one of a deficiency of demand, idle people and idle factories, overcapacity and unused resources. To break down the barriers and to make competition more equal throughout the Community is not to facilitate the sharing of prosperity; it is to facilitate the sharing of misery.

The Dooge committee referred to

"the dynamic effects of a single market with immense purchasing power. This would mean more jobs, more prosperity and faster growth and would thus make the Community a reality for its citizens."

This is pure hogwash. Rightly, these words are not supported with the intellectual justification that is necessary to justify such grandiose promises.

Twelve countries with 12 very different GDPs and vastly differing economic conditions and policies will not be magically transformed into an engine of growth simply by removing Lord Cockfield's barriers. It is a foolish, and even wicked, delusion to peddle the fiction that they will.

On Monday, the *Financial Times*—the great European newspaper—quoted the chairman of the Italian-based company Olivetti as saying that the barriers identified by Lord Cockfield were secondary issues. The article stated:

"The real problem, he says, is that too many managements lack entrepreneurial verve: 'in many cases, they are looking for alibis. I am not convinced that they really want to eliminate the obstacles . . . Too many Europeans just want additional guarantees that they'll keep what they already have.'."

That is the voice of industrial experience in the Community.

For Britain, the changes envisaged by Lord Cockfield and knocked on the head by the Minister would have serious implications. Harmonisation of VAT would see its imposition on food, children's clothing, books and other commodities such as gas and electricity that are now zero rated. If the VAT level were to be raised to continental levels, it would mean a substantial increase in the cost of living. In Denmark, VAT is 22 per cent., in France 18·5

[Mr. Robertson]

per cent., and in Italy 18 per cent. In this country and in Ireland, VAT affects only 40 per cent. of consumption, as against 90 per cent. in the rest of the Community.

Mr. Dykes: Is not the hon. Gentleman being somewhat irrelevant and illogical to address these complaints to Lord Cockfield, who after all has the Commission portfolio responsibility of promoting the internal market? Would it not be more logical if the hon. Gentleman were to address his strictures about the deficiency of demand and so on to the Council of Finance Ministers, which, if it were able to operate more frequently on the basis of qualified majority voting, would begin to make joint collective financial decisions to revamp the European economy?

Mr. Robertson: It would be nice to think, along with the hon. Gentleman, that that would be likely to happen. However, he should look not at the words and aspirations of those who would like to take majority voting decisions but at the speech made by the Minister this afternoon. He said not a word about the economy of Europe or unemployment, and gave not a word of hope or encouragement for the millions out of work. There is not a lack of decision making in the councils of Europe but a paralysis of political will to deal with the problem. If there were such political will, there are already institutions that would transform the position. In some sectors, Europe is beginning to turn towards that, without any great encouragement from the British Government.

Lord Cockfield's blueprint for the future, or what remains of it after the Minister's running down this afternoon, would see also the abandonment of our traditional and effective measures of border posts and entry controls, with all that that would mean for preventing traffic in drugs and terrorism.

After the diversions of the Dooge committee, and before it of Spinelli, the draft treaty, the Genscher-Colombo plan and the others, what can the Community do to revive its potential and start providing hope for its citizens? It can first relegate the fancifully packaged people's Europe report to what it is — a series of gimmicks and novelties, some of them valuable, most of them trivial, but all of them inconsequential to the central issues for our people. However, the potential of the Community is still there, but only if we have the political will to act, and act together.

Co-ordinated expansion is urgently required, and it can be done if further priority is given to jobs, especially for the young. The power and influence of multinational companies can be controlled only at European Community level, but the present craven capitulation to their arbitrary and unaccountable activities allows them to mould our future rather than we theirs.

Co-operation on high technology, which the Minister dismissively mentioned in a few sentences towards the end of his speech, is possible and the EUREKA project should be a more tangible subject on the Milan agenda than all the dreams of new institutions. EUREKA could transform what the *Financial Times* called the

"lip service paid to the idea of the EEC spending programmes to improve European technology."

It might balance the drain of brains and funds to America's strategic defence initiative programme.

Genuine action at European Community level on the growing problem of acid rain and environmental pollution is possible, but only if the British Government can open their eyes to what everybody in Europe knows is going on. Co-operation need not be confined to the European Community. Euratom involves, in addition to the Community countries, both Switzerland and Spain. The Esprit programme and airbus projects are based on more than just the Community, and they work. Much more co-ordination with the Nordic countries is possible, and the development of an external identity is also welcome when it represents a common agreed position of the member nations. Useful initiatives in the middle east, on central America, South Africa and in the past on the Siberian pipeline show what can be done.

The present obsession with institutional changes means that we continually miss the vital point that national interest need not be devolved from the common interest of all 12 nations if we care enough about what is wrong. We are faced with one major reality. It is a common disappointment with the European Community today. Even for those—I was one—who believed in the vision of a closer union among European nations, and who still take comfort from the successes so far—arguments over milk quotas and cereal prices are infinitely better than arguments over Alsace-Lorraine and the Oder-Neisse line —must still be dismally disappointed by the failures to grasp the real opportunities of all-Europe action to expand, grow, compete, invest, research and provide a secure future for the European peoples.

That sadness can only be compounded as the summit next week surveys the ruins of yet another still-born institutional reform and then goes on pretending that gimmicks such as common passports, postage stamps, European national anthems and even harmonised taxes and the diversions of remodelled institutions can still play a major part in a European revival. Dooge is dead, and it will be buried in Milan, but out of the ashes had better come a genuine recognition of the scale of the crisis before us, and with it the common determination to deal with it across the Community. If that happens, Senator Dooge's exercise may not have been in vain.

6.27 pm

Mr. David Howell (Guildford): I listened with care to the speech made by the hon. Member for Hamilton (Mr Robertson) to try to pick up the code words showing where the Labour party has got to in its thinking on the European Community, and whether it is against or for it. However, it would be impossible to divine what stage its cogitations have reached. All that one can say is that, when it comes to the EEC, the Labour Front Bench is eager to wound but afraid to strike.

I congratulate my hon. Friend the Minister not merely on his speech but on the brisk and practical manner that he brings to matters affecting the development of the European Community. I hope that that compliment does not do him too much damage. He has a touch in these matters that we all value and for which we are grateful.

I shall pursue one of the practical matters with which I hope that my hon. Friend will be concerned, although he did not mention it in his speech. It is referred to in the Dooge report and in the Government's White Paper. I shall not pursue the dreams in the Dooge report about revising treaties, or the golden Europeanism to which my hon. Friend referred. I wish to deal only with one practical matter that involves no revision of any treaties, no

agonising debates in 12 national Parliaments, but a simple practical decision to improve our interests within the Community.

I refer to European monetary integration and the EMS. I shall ask a series of questions and I hope that my hon. Friend the Under-Secretary will be able to enlighten us a little. My basic question is: what now is our policy towards joining the exchange rate mechanism and becoming full members of the European monetary system? Is it our policy to aim to join, not to join or just to hang about and wait and see, in the hope that we will arrive in the lift at the right floor in the department store? These are questions that it would be nicer to put aside, like so many difficult questions, but we may be reaching a point—even as soon as the Milan summit next week—when we have to be more precise in our views, for several reasons.

The reasons are concerned, first, with our specific national interests. Whether we like it or not—I know that some of my hon. Friends do not like it—we have a policy towards the exchange rate. In effect, we have politicised sterling. My view is that this was inevitable and does not clash at all with sensible management of monetary policy. We may do rather better with an exchange rate target than we did with our notoriously and ever unreliable friend, sterling M3. For better or worse, we now have that policy.

The argument against our involvement in the ERM always used to be that this would politicise the exchange rate and that we wanted to stay clear of that sort of thing. But we have not stayed clear of it. We have developed objectives and we have found extreme difficulty in trying to influence the sterling exchange rate. The question that has to be addressed from the practical point of view of the nation is whether we might not improve our own ability to influence the exchange rate and include it as a target within our monetary policy, if we were in the ERM. That is a question for ourselves; it is perhaps not a European question. I do not think that question can wait much longer.

We can see big financial storms ahead. No one knows whether the dollar will drop dramatically, drop slowly or rise again. However, we know that we are in for a big upheaval. It would not be happy for the country or for the Government if we had to go through the gyrations of January again, with bank interest rates jumping 4·5 points in a desperate effort to fight the lone battle on sterling's behalf.

That is the national scene. Then there is the European question about the EMS, which relates closely to almost everything that my hon. Friend the Minister of State said in his excellent speech. He said a great deal about completing the internal market. Ministers have devoted much energy to identifying the barriers and urging that they be removed. I am not sure that they meant to go quite so far as Lord Cockfield decided to go in his heroic list of measures, but in general this has been the thrust and emphasis of policy. Indeed, that was repeated and emphasised at Fontainebleau.

If that is so, there can be no doubt that one of the most considerable barriers to the completion of the internal market is the volatility and variation in the currencies, particularly between sterling and the currencies in the exchange rate mechanism. It would not be unreasonable for our European allies to say, "If you in London are really serious about removing barriers to the internal market, should this not include addressing yourselves to, and reaching a decision on, the exchange rate mechanism?" Perhaps a decision would be reached that we should never join, in which case sterling should leave the ecu basket altogether. That might be the right thing to do. On the other hand, it might make more sense to be within the EMS; then the drive to remove barriers and compete in the internal market would carry greater credibility and realism. There is a major question there.

Mr. Dykes: What is also interesting and a little strange is that the Government's policy is to join the ERM. I think the formula of words is that we should join when the time is right or appropriate. Has my right hon. Friend a distinct understanding of what that formula means?

Mr. Howell: I have lived long enough to understand all about the doctrine of unripe time. It is a most wonderful formula to avoid reaching an undoubtedly difficult decision. I realise the need to get the negotiation and the entry point right, but in my view the rightness of time would have been before the upsets of January. If it was right then, it is much more right and ripe now to move during, shall we say, a momentary lull, when sterling is strengthening and before the next storm strikes. It is hopeless to make such decisions at times of weakness.

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Tim Renton): My right hon. Friend is expert on these matters. He has asked me a question. May I pose two questions to him in turn on the exchange rate mechanism? Why, out of his expertise, does he think that if we could have been in the exchange rate mechanism over the past five years or so fluctuations in sterling would have been any the less, if he does think that? Secondly, given the great quantity of sterling that is held internationally—greater than any continental currency—and given the fluctuations, is he certain that our presence in the ERM would be much welcomed by our European partners?

Mr. Howell: On the second point, I have only the evidence of the welcome extended by the governor of the Bundesbank and of almost every Government with currencies already in the ERM. They are extending an invitation; it may not stay that way. I agree that the invitation may be withdrawn, but for the moment the invitation is very strong. Among those making the invitation are the people from Bundesbank of West Germany, who have always been the conservative and cautious people in the development of European monetary integration.

As to the past, I do not think it would have been right to have been in the ERM over the last five years. I hope I did not give that impression. I suggested that if we had been in over the Christmas 1984 period it might have been clearer to currency markets just what the British aims were for the sterling exchange rate. We might have avoided the enormous pressure that built up on sterling and the very sharp increase in interest rates that was necessary to stabilise the position. I think that view is shared outside the House, even by the Governor of the Bank of England; I hope I am not misinterpreting his view.

If we are serious about the completion of the internal market, about putting emphasis on more competition and about creating the vigour in the European Community to go forward, we must address ourselves to the question of where we stand on full membership of the EMS.

[Mr. Howell]

The third problem that now confronts the Government rather sharply is that in the monetary area there will be a two-tier development in the Community. We often hear it muttered about in other areas—the convoy theory, the inner group agreeing to this, that or the other, and the outer group not doing so. Nothing much has happened on that front. We have now reached a point in the monetary area where something of this kind is bound to happen for the simple reason that there is no conceivable way in which the forthcoming members, Spain and Portugal, or even some of the existing members, could hope to participate in the ERM. They could participate in the ecu basket of currencies as sterling does, but in no way could they participate in the exchange rate mechanism.

If, as is clearly the intention, the inner core of members wish to press ahead with further developments in the European monetary system—some idealistic and some more practical—they will have to do this with an inner nucleus of members. The question for the Government is, do we wish to be a member of that nucleus? At this stage it is a difficult question because we indicated at Fontainebleau that we wished to be positive in contributing to the development of the European Community politically and in other ways.

Now that question comes back to Britain in the form of another question. If that is the case, do we wish to participate in the inner nucleus of countries that will develop a degree of European monetary integration, or do we wish to stay outside?

Mr. Forth: Does my right hon. Friend agree that the concept of a two-speed Europe may not be as bad as has always been assumed, provided there is proper customs union throughout the Community and provided that those who wish to progress — as it is usually put — are prepared themselves to bear the burdens that they are imposing and to leave the others to enjoy the benefit of the customs union and those other bits they choose? Does my right hon. Friend agree that this is a possibility and need not necessarily be dismissed out of hand?

Mr. Howell: If it could be so engineered, obviously it would have benefits, but in the area that I am discussing it is difficult to see that choice emerging. The real choice is not between staying out of the exchange rate mechanism or joining with the other countries that will form a nucleus; it is between completing the present stage of the European monetary system—as the West Germans argue and as I would favour—or going on to the more ambitious and, frankly, unrealistic aims of forming a European monetary co-operation fund, so moving into areas of monetary union for which I do not think Europe is ready. Indeed, I question — in a world in which we want to see more decentralisation—whether we ever want to see such a centralisation of monetary control as some of the idealists of EMS-building are proposing.

We must examine the present stage of the European monetary system and decide whether we, the West Germans and others wish to complete that. That means British participation, a reduction in the capital controls in place in France and in exchange controls in Italy. It means, in other words, the completion of the present stage. No new stage is needed, nor would I advocate that. That is the choice before us.

There are those who say that we could not contemplate that now because we would find ourselves with impossible tensions vis-a-vis the deutschmark. I question whether that is the right way to look at the matter. If the West German and our economies are converging in terms of policy—they are converging closely at present—the two great trading currencies, sterling and the deutschmark, together in the European exchange rate mechanism would strengthen the mechanism.

However, it would undoubtedly—this message will be indigestible and unwelcome to Labour Members—impose disciplines on the pound so as to maintain the policies towards convergence that have been absent in the past and from which Labour policy-makers from time to time demand that we escape by reflation, expansion or whatever they want to do that will, they believe, solve the problem of unemployment.

Those options would be limited in the exchange rate mechanism. I believe that that would be a good thing, and if there ever were a future Labour Government in Britain who felt that it was all very terrible, then, as they would undoubtedly make a mess of things, they could use that as an excuse and alibi. Labour Members would certainly need excuses and alibis were they ever to put through the sort of policies that they are proposing.

I have put the questions that the Government now face and may have to address at Milan because issues of a European nature are closely related to the European monetary system. I do not disguise my view. It is that if we truly want to reduce barriers and complete the internal market, in so far as it is practicable to do so, if we want to be prepared for the enormous financial storms that are ahead, and if we want to influence the Japanese situation —it was said in earlier exchanges in the House that the yen is ridiculously low; we want to see the whole of Japanese financial policy liberalised—we must reach a decision at Milan. The British will have to indicate their view there of the strengthening of the European monetary system and say whether they are really serious about preparing for negotiations to enter the exchange rate system.

At the time of the last currency upheaval the European leaders were miserably ill-prepared. They will not be lightly forgiven if they are equally ill-prepared when the next upheaval comes—which will be soon.

6.44 pm

Sir Russell Johnston (Inverness, Nairn and Lochaber): When I spoke in the foreign affairs debate on 27 April, I devoted a considerable part of my speech to the Dooge report. A few days earlier, on 23 April, an early-day motion was tabled by the Liberal and Social Democratic parties. I shall read that motion into the record because it summed up succinctly the alliance view of the next stage in the evolution of the Community. The words also provide a clear marker to which my subsequent comments may be related. The motion stated:

"That this House recognises that without genuine European co-operation and integrated decision-making no single European country can achieve the technological development or exercise the political and economic influence effectively to overcome the problems of unemployment and inadequate social provision in a world at peace; therefore welcomes the visit to the United Kingdom of a delegation from the European Parliament to discuss the draft of a new Treaty to establish a united Europe; notes the support given to this by the Socialist group, the Conservative group and the Liberal group in the European

Parliament; and urges Her Majesty's Government to advocate at the European Council in Milan the establishment of an inter-governmental conference to achieve this."

Since then, as a variety of hon. Members have said, the most significant and, in our view, most regrettable development has been the exercise of its first veto by the Federal Republic of Germany over cereal prices.

I have no doubt that that has adversely affected the sense of momentum towards better decision-making processes, built up in the first instance, to his great credit, by Altiero Spinelli and subsequently commented on by the admittedly cautious but positive response of the majority of the Dooge committee.

Mr. Forth: The hon. Gentleman has made play of the support that was given in the European Parliament to the proposals to which he is referring. Does he agree that there is a large element of vested interest on the part of politicians in that institution in favouring proposals which appear to give them greater influence in decision-making? Is the hon. Gentleman unsurprised, therefore, that they should have given wide support to such a series of proposals?

Sir Russell Johnston: I am never incapable of surprise, and I shall be dealing with the point that the hon. Gentleman has raised.

Mr. Cash: The hon. Gentleman referred to alliance policy. He may recall that not long ago the right hon. Member for Plymouth, Devonport (Dr. Owen), referring to the use of the veto, urged the Prime Minister to give an assurance that in no circumstances would the Government ever get into a position in which they failed to use it when to do so was necessary. Against that background, how does the hon. Gentleman equate his position within the alliance with the position of federalism adopted by the leader of his party?

Sir Russell Johnston: The motion that I read was in the names of the leader of the Liberal party and the right hon. Member for Plymouth, Devonport (Dr. Owen), the leader of the Social Democratic party. In relation to the veto, the Dooge report, on page 25, stated:

"The majority of the Committee favour the adoption of the new general principle that decisions must be taken by a qualified or simple majority. Unanimity will still be required in certain exceptional cases"—

Dooge did not,contrary to what I think the hon. Member for Hamilton (Mr. Robertson) suggested,suggest doing away with the veto—

"which will have to be distinctly fewer in number in relation to the present Treaties, the list of such cases being restrictive."

On page 26, the Rifkind reservation, which was supported by Denmark and Greece, stated:

"When a Member State considers that its very important interests are at stake, the discussion should continue until unanimous agreement is reached."

The same form of words is adopted in the Labour party amendment, which

"urges the Government to use the British veto as necessary to protect very important national interests."

The Luxembourg compromise refers not to "very important national interests", but to "vital national interests."

I do not want to be pedantic or legalistic, because I find that rather a bore, but I suspect that in these matters one has to be a bit legalistic as to what people actually mean. It seems to me that wishing to be able to use the veto on a "very important national issue" goes further than wishing to be able to use it on a "vital national issue". I suspect that the Government are bringing more issues into the net than were previously affected by their view on the veto. I should like the Minister to respond to this. If the answer is yes, it is very bad indeed and a very nationalistic step backward; but if the answer is no, presumably the status quo obtains. From the alliance's position, the status quo is very unsatisfactory and not in the interest of this country or of the Community as a whole.

Mr. Forth *rose*——

Sir Russell Johnston: I have a number of points to make, but I will give way.

Mr. Forth: I am most grateful. I remind the hon. Gentleman that in his opening speech the Minister quite specifically said that Her Majesty's Government wanted to see a combination of more votes and a greater use of majority voting to make progress where it could reasonably and productively be made and the retention of the veto for each country to safeguard its national interests. Those are the proposals that the Government are making. Would not the hon. Gentleman be able to go a very long way with those proposals?

Sir Russell Johnston: I do not see any reason why the Government should have introduced a reservation. It seems to me that what Dooge sets out is perfectly reasonable. The Minister referred to majority voting, but he did not make clear whether, if the decision under discussion was unfortunately likely to go against us, we would take a different view from that which we take now. If we do not, the whole thing is totally meaningless—all words, as so many of these things are.

The German position has been referred to by the hon. Member for Hamilton. There is no doubt that it has produced a great deal of stress within the coalition in the Federal Republic. Our Liberal colleagues, the Free Democrats, are very unhappy about it. The hon. Member for Hamilton quoted Herr Genscher in *The Guardian* yesterday. But what is the Government's view of the German veto? I think that it is extraordinarily equivocal, and the hon. Member for Edinburgh, Pentlands (Mr. Rifkind) did not make it any clearer when he spoke. They obviously did not approve of the veto. What is a 1 per cent. difference in cereal prices? It is a marginal price difference in a crisis situation in which everybody agrees that even the Commission position is nowhere near radical enough to control. On the other hand, they felt obliged—and the hon. Member for Pentlands said so in a ringing fashion—to support the German right to use the veto. Indeed, many press leaks showed that the Government seemed quite pleased that they did so, because it meant that any post-Milan conference would effectively be scuppered. I find that a very difficult position to follow, and I do not think that the Government have faced the logic of it.

What are the difficulties on which the Government are laying stress? The hon. Member for Pentlands mentioned them: control of the runaway agriculture budget, obviously, and extensions of the internal market. Those are the two principal targets, but to them can be added three other major areas: technological co-operation, including—as the hon. Member for Hamilton said—EUREKA; monetary co-operation, as the right hon. Member for Guildford (Mr. Howell) mentioned in respect of EMS and the like; and, lastly, a common line on security. All those are important.

[Sir Russell Johnston]

How do the Government see the possibility of introducing financial discipline into the CAP if they support the right of the Germans to have a veto on cereal prices? If they support that right, does that not also remove their capacity to persuade the Germans not to use their veto? I really do not see any sense in that. As far as I can see, the Government are prepared to cut off their nose in order to have the right to spite someone else's face later, and that makes no sense at all.

Mr. Marlow *rose——*

Sir Russell Johnston: The hon. Gentleman has been less than sharp in his interventions, and I do not want to expose myself to one of them.

Vested interests will always block if they have the chance, and the Government are accepting that they have the right to do that. In my view, that is where they are wrong. The Labour party too is wrong in its alliance here with the Conservative Right wing in the shape of the white knight, the hon. Member for Northampton, North (Mr. Marlow), with whom it is nationalistically in accord.

I do not think that one can in logic pour condemnation —as the Labour party does, as the hon. Member for Southend, East (Mr. Taylor) and others do, and as many other hon. Members from a much less entrenched position do—on a lack of financial discipline and inadequate operation of the internal market and simultaneously deny the opportunity institutionally to solve those problems. That is where the hon. Member for Hamilton is wrong. It is not true to say that institutional change is irrelevant. It is relevant because it will enable decisions to be made which currently are not being made.

Mr. Marlow *rose——*

Mr. Dykes *rose——*

Sir Russell Johnston: I shall give way once more to the hon. Gentleman.

Mr. Marlow: The hon. Gentleman did not see that I rose first.

Mr. Dykes: He cannot take it. The hon. Gentleman will understand that this is a difficult moment for my colleague, and therefore he will need time to recover. Indeed, it is not easy; it needs a Liberal knight rather than the white knight. I apologise for interrupting, because the new knight is being extremely persuasive in his arguments.

Mr. Marlow: No he is not. He will not allow any arguments.

Mr. Dykes: Does the hon. Gentleman agree with this continuation of his thesis — that the tragedy of that whole episode is that undoubtedly when no veto should have been imposed by the Germans on a matter that was not of vital national survival and was merely the product of a party split between the CSU in Bavaria and the CDU, if "vetoitis" is further encouraged by various member states, that will be quoted again and again as a good example of when the veto can be used legitimately, because not a single formal protestation was made by any other member state?

Sir Russell Johnston: The hon. Gentleman supports my argument very felicitously, as I knew he would when I gave way to him.

The Minister referred to Lord Cockfield's paper and to the fact that it contained 300 points on the internal market. How do the Government—who favour this paper, as the Minister made clear—expect it to be implemented if simultaneously they support the right of every individual country with an important interest to say that it will do nothing? That is contradictory, and it is nonsense.

In my view, we have three options. First, we can stay put. That would not be in our interest or in the Community's interest. Secondly, we can proceed on some sort of gentleman's agreement. That is what the Government would really like to see. Where are the gentlemen? That is a good question. Not even our own Prime Minister, literally or metaphorically, falls properly into such a category. Thirdly, we can have institutional change, either modest, as Dooge proposes, or radical, as Spinelli argues.

I believe that the third choice is the only one, and I very much regret the Minister's peremptory rejection of an inter-governmental conference after Milan before Milan takes place.

I refer back to the early-day motion that I quoted at the beginning of my speech. We can only overcome our employment problems, social challenges and technological inadequacies together, and if we want to have a say in political and security matters in the world it has to be together as well. I have said before, and I repeat, that the enlargement — which the Minister rightly conceded makes decision-making processes worse—which brings in Spain and Portugal and gives them political support in the changes which they have undergone, will fail and thus have the consequences of political failure if this political good will is not matched by economic generosity. That is not going to be possible in present circumstances, and that has consequences equally for NATO and all the rest of it as well.

It is the fashion for anti-Marketeers in the House and for some others who should know better to behave in a superior way towards the European Parliament. They pour scorn on it, talk about what those little people want and ask what relevance they have. I have always found that sad in an elected Parliament such as ours. I was glad when this country accepted the go-ahead for direct elections. It was at the time of the Lib-Lab pact, as hon. Members may remember. It enabled the Community to have the largest free election in the world. I thought that that was good, even if this country operated an inappropriate and unfair electoral system.

Hon. Members and the Government must face the fact that the less scope the European Parliament has to contribute effectively and realistically to legislation and to have a significant say in the budget, the less will be the likelihood that it will behave constructively and responsibly. The less power we give to people, the more irresponsible they are likely to become.

Mr. Forth *rose——*

Sir Russell Johnston: I shall give way when I have finished this point. I notice that the hon. Gentleman has cleverly moved from one place to another. He seems to believe that, because I am short-sighted, I shall think that he is someone else.

It is equally a fallacy to believe, as many hon. Members do, that keeping the European Parliament weak will strengthen parliamentary sovereignty in respect of

European Community legislation. It will only strengthen the Government and compound the perceived remoteness — often, indeed, the real remoteness — of European Community legislation from democratic accountability.

Mr. Forth: Does the hon. Gentleman agree that there is an alternative way of looking at the European Parliament? The European Parliament has considerable powers which, if its Members chose to exercise them responsibly and carefully, could greatly enhance their participation in Community decision-making. The problem has been that in too many cases Members of the European Parliament want to go on to the world stage and participate in a wide political arena, but they fail to use their considerable existing powers in a detailed, consistent and responsible way. We can reasonably look to them to give a lead and show us how they propose to exercise their considerable existing powers before we give them any more.

Sir Russell Johnston: I do not want to argue in detail, because I could go on for a long time. I was merely talking about the unfair attitude that hon. Members have towards the European Parliament. The hon. Gentleman's remarks were unfair. It is not true to say that Members of the European Parliament are always irresponsible. They do a great deal of constructive work in the committees, for example, even if they are held in secret. Sometimes that is not all that bad. That is against Liberal policy, but never mind.

A fortnight ago, the European federation of Liberals and Democrats in the Community met in Groningen in the Netherlands. A resolution on institutional reform was passed unanimously. I should like to end by quoting from it, because it was a congress of 11 Liberal parties—to some degree, a spectrum of views—clearly united about some matters and trying hard, as I think we should all be trying, to find common ways forward within the Community. The resolution stated:

"We want the present Community to develop into a free European Union of equally respected states and peoples within which national, regional and local powers of decision-making are placed in the context of the new European dimension and thereby given added significance. The task of the Union will be to complete the Community process of integration and unification, on the twin foundations of liberal democracy and human and civil rights. Furthermore, it must assume its role in ensuring European security and in the world at large, it must stand for the principles on which it itself is founded: peace, freedom, equal rights, individual responsibility and social justice."

That is the right way forward — not the cautious, hesitant one put forward by the Government and Labour Front Benches. If ever there was a time for idealism, it is now.

7.4 pm

Mr. George Gardiner (Reigate): My hon. Friend the Minister was right to concentrate on the Dooge report, and he was also right not to underestimate the supreme importance of the decisions that face the forthcoming summit in Milan. The aim expressed in the Dooge report is to secure a single, fully integrated internal market in the Community by 1992. I should like to consider that, and the institutional development of the Community in that light. A call for completion of the internal market has become rather commonplace in the House. We frequently point to those areas where the United Kingdom might expect to benefit. There has been little recognition of how sweeping are the changes needed and there has not been a great recognition of the overriding necessity to this country and to our partners in Europe of completing the internal market.

I shall give an example that relates to jobs. The hon. Member for Hamilton (Mr. Robertson) spoke of how vital employment issues are. I agree with him on that, although he would not expect me to agree with the solutions that he put forward. Since 1973, the United States of America has created a net total of 15 million new jobs by exploiting a home market of 226 million people. Over the same period, Japan has created 3 million net new jobs by exploiting a home market of 118 million people. What has the European Community done? Over that period, it has built up a home market of 270 million people—much greater than that of the United States—and yet we have lost 2 million jobs in western Europe. A substantial reason for that must be that we have failed properly to use our home market. The European Community still in many respects consists of 10 related but separate markets. By continuing with that pattern, we cause injury to ourselves and to the employment prospects of our people.

Mr. George Robertson: I am grateful for the hon. Gentleman's interest in employment, although I am sure that we shall disagree on the diagnosis. Will he bear in mind that the United States of America has created jobs through what has been an expansion-led boom and that Japan's increase in employment has been advanced by exploiting Europe's home market?

Mr. Gardiner: There are many elements to the issue. The thrust to deregulation has also played an important mentpart in the United States experience. I am merely seeking to contrast how, with those not completely dissimilar home markets, our performance has been so different.

Our experience in Europe has been that internal tariff barriers have gone but that too many other barriers remain and some have even been increased. We can rattle off examples with ease. Frontier delays alone cost European industry and commerce some £500 million a year. That often adds as much as 20 per cent. to the cost of goods crossing our internal frontiers.

We have conflicting national standards that are doggedly maintained. Research is duplicated among countries. It takes us five years to get even a modest joint research programme off the ground. We have rigid barriers to the sale of services across frontiers; British life insurance cannot be sold in West Germany. We have no common transport system that remotely compares with that of the United States or Japan. The growth of our air services is choked by restrictive cartels. Public works contracts are still nationally based.

The result of all that is, first, that the industry and commerce of western Europe cannot achieve the economies of scale that such a large home market can offer, and they have to sell overseas and at home against United States and Japanese competitors whose own home markets confer upon them just that advantage. Secondly, European research and development costs, once incurred, must be covered and recouped from a narrow national market and far too rarely from that of the European Community as a whole.

If we want an example of how that has afflicted us, we need look only at information technology. European

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Community IT industries have only 10 per cent. of the world market and only 40 per cent. of their own home market. That story is repeated in one form or another in one advanced industrial and commerical area after another.

There was that chilling piece of speculation by Lawrence Eagleburger not so long ago, that unless it is careful, in 40 years western Europe could find itself in the top tier of Third world countries. After enlargement, Europe will have a home market of 320 million, which is 100 million more than the United States. In terms of population and combined gross national product, the European Community will be the biggest commercial power in the world—or, more accurately, it could be.

Will we draw on that power or will we continue to try to compete not just with one hand tied behind our backs, but with both feet tied together, too? Unless a genuine free, total common market in all goods and services is created quickly, we had better forget all our hopes for a better economic future and for more jobs, and concede eternal superiority to nations with smaller home markets than the one potentially available to us. The completion of the internal market in western Europe is not just a possible option; it is a matter of our survival. It is a measure of the challenge facing the Prime Minister and her colleagues at the coming Milan summit. The proposals are in the Dooge report. We also have the detailed programme put forward by Lord Cockfield on behalf of the Commission. The future of every family in Europe hangs on that.

Therefore, the question we must ask about the Community's institutional development is not what blueprints accord most closely with our personal notion of what the Community or European union could mean, but rather what institutional changes are necessary to speed the decisions that bring that total internal common market into being as quickly as possible.

I believe that my hon. Friend the Minister was right to express strong reservations about some of the proposals —some of which were mentioned by the hon. Member for Inverness, Nairn and Lochaber (Sir R. Johnston). For example, my hon. Friend was right to express strong reservations about the proposal in the Spinelli draft treaty to make the European Parliament a joint legislative authority with the Council, and requiring a unanimous vote in Council if European Parliament legislation is to be rejected.

I can think of nothing more likely to lead to friction and to a reduction in the Community's effectiveness than a constitutional arrangement such as that. Our need is not for a mechanism of fine checks and balances; it is for an engine to power the changes that we know are so essential. I am convinced that that engine must still be located within the Council, working within the relationship that has already been established with the European Parliament and the Commission, and with the Council reconciling the national policies of 12 different states. For the same reason, I believe that my hon. Friend is right to record reservations about the more vague suggestion in the Dooge report for joint decision-making by the European Parliament and Council.

Following that logic, we see that the need is to strengthen the decision-making process within the Council. The need for rapid progress to the full internal market that is so essential makes much more frequent qualified majority voting imperative, with the right of ultimate veto retained, but very strictly defined.

We are realistic to recognise that no member state will accept being overruled on a matter of crucial and vital national importance. But that is very different from using the veto or from putting a proposed reform into permanent suspense simply to shield some internal interest group.

My final point concerns a matter that has been raised by a number of Members of the European Parliament and has been referred to in this debate. It is the possibility of what is often called a two-speed Europe. I have heard the fear expressed by colleagues in my party in the European Parliament that unless we accept some of the more radical institutional proposals, Britain will be left behind, travelling in the slow lane, while our partners go full steam ahead in the fast lane. That fear has been focused by the proposal in the Spinelli draft treaty that it should enter into force when ratified by a majority of members of the Community which together represent two-thirds of the total population.

That fear of an institutional two-speed Europe is I believe without foundation. As my hon. Friend the Minister said, article 236 of the Rome treaty provides that amendment can take place only after unanimous acceptance by all signatories. Therefore, I do not believe that there is any real danger of a two-speed Europe developing in respect of institutional and constitutional mechanisms.

But, of course, a variety of practical arrangements can be reached between a limited number of member states to their mutual advantage. I do not see why those should necessarily be unwelcome. Nor is it the case that in these matters Britain is invariably travelling in the slow lane. I shall cite two examples.

Recently, France, Germany and Benelux agreed to scrap all border formalities. It is recognised that it is impossible for an island such as ours to join in that sort of arrangement, for reasons that we well know, such as immigration and drug control, rabies prevention, and so on. Therefore, it was perfectly reasonable and commendable that those states should travel in the fast lane and that Britain should find itself in the slow one.

However, Britain and the Netherlands have set the pace in another area — that of liberalising and thereby cheapening air services in Europe. We are in the fast lane and many others who are fond of lecturing us within the Community are sticking doggedly in the slow one. I hope that there will be more areas in which Britain can set the pace. I hope that in moving towards a full common market, the Milan Council will set a fast pace. That is vital to all our futures, but the time at our disposal is fast running out.

7.20 pm

Mr. Eric Deakins (Walthamstow): I agree with the hon. Member for Reigate (Mr. Gardiner) on major institutional reform in the EEC, although I take issue with one point in his interesting speech. It is a common misconception that the United States is somehow one vast internal market. In fact, it is at least four or five major internal markets, and British exporters and American manufacturers agree that they have to tailor their products and services to the needs of those individual markets within the vast continental United States.

I thank the Minister of State for his reassuring statement that this is a take-note motion and that any proposals at the Milan summit which the Government might consider accepting, especially the Dooge proposals, will come back to the House for debate and, if necessary, subsequent approval.

I wish to concentrate on three subjects—the common agricultural policy, politial co-operation and the Dooge recommendations.

On agriculture, the Community is in great difficulty, given the statements on budget discipline set out in the White Paper. When we debated the budgetary discipline arrangements earlier this year, I expressed a great deal of scepticism but, like many other hon. Members, I said that we should wait and see what happened. We have now seen what has happened in terms of discussions of the Council of Agriculture Ministers. It has failed to agree a package which would ensure that the costs of the common agricultural policy continue to fall as a proportion of total EEC expenditure, and it has failed to reach agreement on cereal prices. I make no comment on the German veto as I support the use of the veto and must accept the consequences that flow from it. It is also, of course, a factor which must be taken into account in considering the impact and influence of the new procedures for budgetary discipline and financial control, especially in common agricultural policy expenditure.

Expenditure in the 1985-86 agriculture year is likely to exceed what the Commission originally intended. The key question that no one — not even the Minister of Agriculture, Fisheries and Food—can yet answer is by how much the latest European Community budget, which was based on an assumption about cereal price cuts, will be exceeded in 1985-86. To the extent that it is exceeded —it certainly will be—it will call into question the whole issue of budgetary discipline arrangements within the Community. As we know from the White Paper and from earlier debates on the subject, those arrangements will apply to expenditure in 1986, which is the subject of decisions taken in 1985, and that must also apply to common agricultural policy price determination.

Mr. Marlow: The hon. Gentleman says that the German veto on cereal prices will have serious implications. Does he accept that if the House does not agree to increase the own resources of the Community the implications of that might, unlike the German veto, have positive consequences for the common agricultural policy?

Mr. Deakins: I did not intend to mention the 1·4 per cent. as I understand that we shall have a full day's debate on that next week and shall be able to go into the subject of own resources in detail in Committee the following week. I was thus deliberately avoiding that important and highly relevant topic.

The costs of the common agricultural policy are still not under control despite the budgetary discipline agreement. If agricultural expenditure in 1985-86 exceeds the guideline, there will be a sense of crisis in the Community. Certainly many hon. Members who favour continued membership of the EEC will look askance at its latest effort to get agricultural spending under control.

We all know that the entry of Spain and Portugal is bound to raise the total cost of the common agricultural policy. That is one reason, though not the only reason, for the attempt to increase own resources. There are also other factors. Failure to agree on cereal prices means that still greater cereal surpluses will pile up. The gap between EEC and world cereal prices will become greater, so export restitutions will cost more. Competition in world agriculture markets could drive world agricultural prices even further down, leading to even greater export restitutions and a greater burden on the common agricultural policy budget and thus on the Community budget as a whole.

I believe that we are now entitled to call into question the whole budgetary discipline agreement. Will it really stick? In the next few months it will undergo its first major test. I am sceptical, but we shall have to wait and see.

Mr. Spearing: My hon. Friend has referred to the White Paper. Paragraph 4.2 refers to the mechanism on which he casts doubt. It states that

"the Council has bound itself to observe"

various disciplinary matters. Is my hon. Friend aware, however, that the Council has reached a conclusion which is not, as I understand it, binding upon itself, so the phrase that I have quoted is open to question?

Mr. Deakins: I am as sceptical as my hon. Friend, but we shall have to wait and see. I believe that the budgetary discipline agreement will be broken, although there will no doubt be a diplomatic attempt to patch it up.

On agricultural expenditure, paragraph 4.13 of the White Paper refers to a decision made by the European Assembly in November last year which proposed

"a number of amendments and modifications to the 1985 draft budget, including a substantial increase to agricultural expenditure".

No one in his right mind would look to the European Assembly to exercise financial discipline on agricultural expenditure in the EEC as it is clearly dominated by parties which, like many national Governments, depend on the farm vote. The only way in which financial discipline can be enforced is through national Parliaments such as this one. It is up to us to take on that task and to exert much more pressure on the Government when Ministers go to Brussels.

If we are not careful, there is a serious risk of an agricultural trade war between the United States and the EEC, which would drive down world agricultural prices and raise the cost of the common agricultural policy. My colleagues may not agree, but in my view the cause of that war is basically the EEC export restitution system which has taken away traditional export markets for United States agricultural produce. I speak with some knowledge and feeling on this, having just returned from a conference with members of Congress, the State Department and the Defense Department at which these matters were discussed.

The Americans are very worked up indeed about this. That applies both to the Administration and to Congress. It is unusual for the two to work together in the same direction, but they are at one on the need to restore those traditional agricultural markets. I believe that Congress has the bit between its teeth even more than the Administration has and is determined to pursue a policy of subsidising United States agricultural exports with a fund of about $2 billion in direct competition with EEC exports. I believe that the recent sale at very low prices of 1 million tonnes of grain to Algeria, a traditional EEC

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market for cereals and grain, was a warning shot across the bows of the common agricultural policy and it should give us all cause to think very carefully.

The Americans are getting so worked up about this not just because of EEC export restitution and the strength of the dollar but because the United States farm belt is suffering a great deal more than farmers are suffering in western Europe despite the cuts in dairy quotas. At least one third of United States agricultural assets are considered to be at risk and we were told that 300 rural banks might collapse in the next year or so, all of which puts pressure on legislators in the United States as similar circumstances would put pressure on legislators in western Europe.

That might be resolved by our having GATT negotiations, but as the French have blocked them for the time being and do not want agriculture or the CAP to be at risk in those international negotiations the only way out is something that the Americans will suggest to the EEC, which I hope that the Minster will bear in mind in further discussions. I refer to an international conference of the major agricultural exporters — Australia, Argentina, Canada, the United States, the EEC, India and Thailand. Those countries should get together and work out some ground rules to avoid what might be an extremely damaging trade war.

Section XI of the White Paper deals with political co-operation. Everybody pays lip service to political co-operation. The White Paper has a succession of little paragraphs of bland communiqués and declarations. A great deal of faith is put in them. I wonder why so much emphasis is put on political co-operation. A basic reason is economic imperialism in the Common Market, by which I mean the protectionism of the CAP and trade policies with the rest of the world in terms of dumped and subsidised agricultural products, the network of client states in the Lomé convention and association agreements. That great economic power has not brought compensating political power, so there is an effort to go in another direction to try to restore western European influence in the world to what people—mainly older politicians—think it ought to be and perhaps what it once was.

We have a series of virtually meaningless declarations and communiqués at almost every summit and often at Council meetings which, perhaps in the Government's view, are a temporary substitute for much closer union or for federalism. The communiqués and declarations are often trite. The Minister said that they have some impact. I remain to be convinced. I have seen no evidence of any declaration of political co-operation by the EEC having any influence outside western Europe. The most notable example was the Venice declaration on the middle east. It has had no impact on the course of events in the middle east. It was a worthwhile declaration in that many people agreed with its sentiments. I do not want to pursue that subject, however, although it is covered in the White Paper. The point is that the declarations are hardly worth the paper that they are written on and pander to the political vanity of the politicians who attend the meetings.

There have been joint stands in the United Nations Organisation, but even they and speeches by the Presidency on behalf of all 10 Community members have only papered over the cracks of political disunity on major items of policy, as was seen in two recent and important instances. First, we and West Germany are to follow the United States' line and withdraw from UNESCO because we have not been able to get our way on reform internally. Secondly, the Community is completely split on the United Nations convention on the law of the sea. Several members have signed the convention and treaty, but we, the United States and West Germany have gone out of our way to emphasise our differences with the rest of the world.

There is no political future for Britain in a bloc of rather tired western European nations whose relative political and economic influence in the world is in decline, and rightly so. Western Europe has dominated the world for the past five centuries. I do not know what God-given or any other right we have to consider that we have a right to continue to exercise such influence and power. We should let other nations take over and concentrate a little more on trying to unify rather than dominate the world. There is no future for a party with a Socialist vision of the world and Britain's place in it.

The Minister was kind enough to dwell at some length on the Dooge committee and its recommendations. The Government are not accepting the committee's recommendations because they are basically federalist—they try to make the way clearer and smoother for a federal union in western Europe. That is a perfectly honourable intention, provided that it is made explicit. The federalism is implicit. The Minister said that there was some reference to security, but that it would be only the political implications of defence policy. However, page 20 of the Dooge report contains recommendations that go further than that and talk of joint weapons procurement and the standardisation of weapons. Those are defence issues, not security issues. They are defence decisions, not the political implications of defence decisions. Dooge is pressing in every direction.

Like most right hon. and hon. Members, with the exception of the federalists, I am glad that the Government have entered caveats, but once Britain's budget problem was disposed of satisfactorily, according to most member states, the impetus to get the dynamism of federalism going re-emerged. The Government are in a dilemma. They want to placate the federalists in western Europe and in Britain. There are some of them. I disagree with them, but their view is perfectly honourable provided that it is declared openly. We must always bear it in mind, however, that the British public is generally dead set against any further loss of sovereignty, and certainly against the concept of a federal state of western Europe.

The White Paper refers to completing the internal market to

"promote a more united Europe".

Those are beautiful words because they can be taken both ways. Federalists can take them to be a description of a future united states of western Europe, and they can be taken by non-federalists as meaning just closer co-operation. The Dooge committee goes further and wants to give more power to the European Assembly.

Some right hon. and hon. Members will agree that the European Assembly is a pathetic institution, but that it is potentially extremely dangerous when it is flattered with the prospect of more power and influence over Community business and, ultimately, against the power of all Parliaments. As long as we stay in the EEC, there is an increasing risk of a major conflict between the requirements of this House and our responsibility to the

people who elected us and the responsibilities of the European Assembly, especially if responsibilities and powers are extended without our amending the treaty of Rome. That is the new path. It is a path of creeping federalism. Federalism is not faced head on but sought in roundabout ways which do not draw public or national parliamentary attention.

The value of a debate such as this is that it enables us to put on the record our fears and doubts and our warning to the Government, and any Opposition who care to go along with the type of thinking that we are debating today.

7.37 pm

Mr. Robert Jackson (Wantage): We will all take more seriously the credentials of the hon. Member for Walthamstow (Mr. Deakins) in seeking to unify the world when we see more signs of a positive attitude to the unification of Europe or even more signs of unity in the Labour party.

For some months now, although there has been some evidence of wavering determination recently, the Milan meeting of the European Council has been billed as the "institutional" council—as the meeting at which, at last, the Heads of Government will take stock and reach decisions about the Community's institutions and how they can be improved.

The central purpose of today's debate must therefore be to express the view of the House before those discussions take place. But this is not at all easy, because nobody can pretend that the discussions in Britain about European institutional issues have been especially lively or well informed. There has been a great wave of political argument about these matters on the continent. But this has been one of those movements of opinion among our nearest neighbours which so frequently seem to pass us by. There has been a plethora of resolutions, declarations and reports engaging all sections of the political classes and public opinion on the continent—but this is our first debate on the subject, and all that we have to guide us is seven admirable pages in the most recent report of the Select Committee on European Legislation, sandwiched between four pages on air transport policy and three pages on Community immigration policy. In short, this is yet another example of the proverbial newspaper headline, "Fog in the Channel, continent isolated."

I propose, however, to take advantage of the fact that the argument on these matters in Britain is still so undeveloped to consider not the complex technicalities of the various proposals which are now before the Community and for which the House is perhaps not yet ready, but rather the frame of mind in which we in Britain address these proposals. Let us try for a moment to stand outside ourselves—in General de Gaulle's phrase,

"To gain height and distance"

—and to consider the strengths and weaknesses of the way in which we in Britain characteristically approach this argument.

The British approach to the institutional organisation of Europe is governed by instinct, not by reason or logic. We are not inclined to ask ourselves questions such as, "What are we trying to do?" and, "How can we best do it?". Rather, we look at European institutions in terms of our very special natural history and experience. The consequence is that our judgment about how those institutions should develop is based mainly on an instinctive assimilation of the European constitution with our own constitution, and of the principles of its development with the principles of British constitutional development.

That instinctual and historical approach informs the prejudices which we characteristically exhibit when European institutional questions are discussed. We have, for example, an instinctive preference for proceeding by conventions rather than by formal legal texts. That is how our own constitution works, and we find it easy to take it for granted that that must be the best way for the European constitution to work. Similarly, we hold that constitutions develop by evolutionary process rather than by a process of rational deliberation which relates means to ends. Somehow we have acquired from our history a notion that those things which happen without our knowing it are more enduring and substantial than those which we consciously choose to do. We also have an instinctive preference in Community affairs for machinery which gives the greatest possible freedom of manoeuvre to the Governments of the member states — as opposed to machinery which obliges them to take account of the will of supranational institutions or to follow prescribed legal procedures, or even to be bound by their previous undertakings.

I hope that no hon. Member will think that what I am saying is a disparagement of our characteristic British way of looking at these matters. In any historical perspective the British polity has been remarkably successful. Although that success has been due at least as much to geography as to our political institutions, the values that our experience secretes deserve to be taken seriously.

The British approach to the question of European organisation certainly has many virtues. For a start, it is solid. We say what we mean, and we mean what we say. In the British approach, head and heart are closely united —in contrast to the approach of other political traditions in Europe, when the heart may go faster than the head, as is the case with the Germans, or the head may go faster than the heart, as is the case with France.

The British approach also has the virtue of realism, or, at least, of that type of realism which reflects an accurate appreciation of the material, and perhaps sordid, interests that sometimes motivate, and more often oppose, the progress of ideas. There is little danger of Britain ever finding herself in the extraordinary position into which the Federal Republic recently found itself propelled by the agricultural lobby in Germany — and I hope that our German friends will forgive us on this side of the Channel for the small exhibition of Schadenfreude which we allowed ourselves on that occasion.

Solidity and realism are the virtues of the British approach to European politics. Let us now consider our vices. The first must be that we are remarkably slow moving and unimaginative in our approach to Europe. The danger of our instinctual approach to politics is that it clings to the familiar, and finds it difficult to assimilate novelties. For example, in the 1950s we failed to recognise the speed with which Britain's historic position in world affairs was being eroded, and the dynamism of the European movement on the continent.

Mr. Deakins: The hon. Gentleman is making an interesting philosophical speech. He criticises our general philosophical approach to change. Surely his allegation of our lack of imagination is disproved by the experience of the transformation of the British empire, first into the

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British Commonwealth and then into the Commonwealth by a process of evolutionary change over a short period of time without major institutional reform.

Mr. Jackson: That was a most remarkable historical process. It took place in the same way as the empire was created, largely "in a fit of absence of mind", and to some extent it happened because of a lack of institutional innovation in the empire. Indeed, that may be a reason why in the end the attempts to run the Commonwealth as a world force came to nothing. We failed to institutionalise it. I would indeed say that the experience to which the hon. Gentleman referred demonstrated a certain lack of imagination, which goes to prove my point. For, just as we failed to understand the dynamism of the European movement in the 1950s, similarly, today in the 1980s, it seems that we are failing to take the full measure of the challenge which all of us in western Europe face from the superior technological and economic performance of the United States and the far east.

Mr. Marlow: Could my hon. Friend let us into the recesses of his mind by passing judgment on a specific case rather than on the general points, which he is making so eloquently? Immigration rules, for example, are highly political and sensitive issues. Does he feel that they should be decided one way or the other by this Parliament and institution, which is democratically accountable, or by a foreign institution which is accountable to nobody?

Mr. Jackson: We should embody the concept of human rights in our domestic legislation. So long as we fail to do that, it is inevitable that our citizens will resort to the European Court to get rulings on matters of human rights—matters which I agree should rather be settled under our own constitution.

Returning to my argument, if slowness and a certain lack of imagination are the defects of our characteristic political approach, so also is a certain insensitiveness. Often we fail to understand the power of the emotional and idealistic factors in the continental attitude to the organisation of Europe. In this House, for example, we affect a manly derision for the desire of our partners for symbols of European unity, while forgetting our own remarkable attachment to the symbolic and emotional side of politics. Moreover, it must also be admitted that there is a trace of arrogance in our attitude to the "European" aspirations of the continentals. We sometimes allow ourselves to see a certain fancifulness and extravagance in those aspirations, believing that it is the part of more sober, responsible, mature elements, such as ourselves, to temper and correct those exaggerations. So often we have declared that this or that European project is unrealistic or "not on", only to find that the continentals have found a way. Indeed, I have often felt that we carry our lack of sensitivity so far that we fail even to notice the extent to which our assumptions of superiority are resented by our partners.

What practical conclusions do I draw from this examination of the strengths and weaknesses of our approach to the organisation of Europe? First, we should not deceive ourselves about the sincerity and determination of the continental drive to give stronger institutional expression to the idea of European union.

Mr. Forth: I well understand the direction of my hon. Friend's argument, but would he care to comment on the attitude of the Italians to rulings of the European Court of Justice? We are lectured constantly by the Italians on all the great and good European matters, and castigated by them for our dog-in-the-manger attitude, but the Italians have the worst record of flouting the rulings of the European Court of Justice, to which they pay so much lip service.

Mr. Jackson: My hon. Friend is right. I said earlier that our commitment to Europe, although more cautious, was perhaps more solid than that of some other member states. Perhaps we should introduce proposals for institutional developments that might improve the Community's processes for enforcing and supervising the implementation of Community law.

To return to my thread, we must not deceive ourselves about the sincerity and determination of the continentals with regard to the idea of European union. I hope that no one in the House will mistake the significance of Germany's embarrassment over its recent veto at Luxembourg. If anything, that episode, and the shame and guilt which I believe that it evokes in Germany, will strengthen the determination of the German Government to prove their European credentials. That may become a serious diplomatic problem for us.

My second conclusion is that we should re-examine our aversion to proceeding in the Community by legally binding instruments rather than by the evolution of conventions. The main lesson that most continentals will draw from the German experience is that which is now being drawn by Mr. Genscher — that it proves that conventions are not enough. After all, the German Government entered into a strong moral commitment on the so-called veto at Stuttgart only 18 months ago, so that many will say that the latest episode proves that the veto will constitute permanent temptation as long as it exists. I have no quarrel with the Government's position on majority voting, nor do I doubt that it, or something like it, will be adopted by the Community at the Milan summit, or later. But we should keep an open mind about the way in which that position is expressed in Community law.

My third conclusion is that we should beware that our instincts do not lead us to undervalue the role and importance of the supranational as opposed to the intergovernmental elements in the Community system. If we will the end of a completely unified internal market, must we not also will the means of strong central institutions for initiative, decision-making and enforcement? That point was made by my hon. Friend the Member for Mid-Worcestershire (Mr. Forth). If we will the objective of a more effective European role in world affairs, must we not also will the means of strong central institutions that are capable of defining and expressing that role? The Government have taken a tiny but significant step in that direction in their proposals for a small secretariat for political co-operation. But I hope that my hon. Friend the Minister will forgive me if I predict that the secretariat will, as was said by the hon. Member for Walthamstow, turn out to be an inadequate instrument for developing any serious European role in foreign policy.

Finally, we must overcome the instinctive resistance which leads us to underestimate the force of the logic underlying the development of the Community's institutions. Let me cite only one example—that of the

European Parliament. It is probably true to say that the sentiment of the House on this matter can be expressed in one sentence: the more power the European Parliament has, the less we have. But the truth is that the key institution in the Community is the Council of Ministers, and the House is in the process of losing whatever power it may have had over the Council. No doubt that will be graphically illustrated in the debate and vote next week.

For years, we have been accustomed to Ministers reminding us, when they come under fire in the House, that they must have a free hand in Brussels to negotiate in the national interest. In the future, when the ideas for majority voting put forward by the British Government and reported to the House today are implemented, Ministers will return from Brussels with an even more dampening message—"Sorry, but we were outvoted."

Neither the House nor the Community is ready for it, but I have little doubt that, within a few years, we shall recognise that the logic of majority voting in the Council leads inevitably to giving the European Parliament the power of co-decision with the Council.

If what I have said today, and once or twice on previous occasions, may seem critical of my hon. Friend the Minister of State, may I end with a word in his praise, which I hope will be passed on to him. Today, as always, he made a lucid, forceful and elegant presentation. During the past year, he has been fighting a difficult brief, and we all know that he has a demanding client. I hope that he will appreciate my remarks about the instinctive bias of the British mind in these matters, for there is certainly no one better capable than he of blending that bias with the rational will that is from time to time required.

7.55 pm

Mr. Nigel Spearing (Newham, South): We have heard excellent speeches from the hon. Member for Wantage (Mr. Jackson) and from my hon. Friend the Member for Walthamstow (Mr. Deakins). The hon. Member for Wantage may be surprised to know that I agree with many of his perceptions, although I disagree with his conclusions for precisely the same reason as I disagree, curiously, with the conclusions of my hon. Friend the Member for Walthamstow. I hope that I do so on the basis of objective observation rather than of personal preference, although it may be the latter, too.

The hon. Member for Wantage said that to achieve the common market that he and the hon. Member for Reigate (Mr. Gardiner) want so much we must have strong central institutions with legislative and financial power. My hon. Friend the Member for Walthamstow also mentioned that, but he called it a federal movement. As we know from the treaty of Rome, and from any objective analysis, the movement which the hon. Member for Wantage vividly described in his closing remarks is not federal, but unitary. That is why the attitudes and aspirations of the British people will not be towards the form of unitarism to which he aspires. It is not practical, for reasons that he perceived.

The two speeches to which we have just listened underline the problem of British Governments, of whatever party, now and in the future. The problem is whether we are talking about a "union" or about European unity, and the Government had to face the problem in their response to the Dooge report.

Mr. Jackson: I cannot allow the hon. Gentleman to leave the impression that I believe that the future constitution of Europe should be a unitary one. I believe that we must have much stronger central institutions in Europe, which will, of course, be balanced by the institutions on the periphery. The present problem in Europe is a lack of energy, power and drive at the centre. We should give it that energy, power and drive, but that does not necessarily mean a unitary state.

Mr. Spearing: I am not sure that the hon. Gentleman has reached the right conclusion in that respect. As I understand it, the treaty of Rome does not allow for national Parliaments to have any role at all, except where it occasionally uses the phrase "in accordance with national procedures." We shall discuss that principle next Tuesday, as the hon. Gentleman said. Indeed, he made a prophecy with regard to the outcome of the vote. His closing remarks were the answer to the point that he has just made. There is an inevitability about that, provided that the financial controls and authorisations continue, as no doubt they will—although with some dissent—next Tuesday.

The Scrutiny Committee, of which I have the privilege to be Chairman, devoted eight pages of its 21st report to the Dooge proposals. In that, we were helped by the Minister of State, with whom we had a long session on 15 May. To that report we have attached the Government's memorandum to the House of Lords Select Committee, which was examining the same matter. Paragraph 15 of the memorandum states:

> "HMG is committed by the Treaty of Rome to ever closer union among the peoples of Europe. We are equally committed to the Solemn Declaration of European Union to review progress towards European unification no later than five years from signature (ie by June 1988)".

Paragraph 16 states:

> "The United Kingdom wants to see greater European unity. Within the European Community this means Europe united as a single market."

In both those quotations we can see the Government's dilemma and the way in which they are approaching the Dooge report, while trying to resolve the problems. As we know from the Minister's evidence to the Committee, the Government have several reservations about the report. In our report we say that the Dooge committee was established

> "'to make suggestions for the improvement of the operation of European Cooperation in both the Community field and that of political, or any other co-operation.'"

There will be a considerable impact even if not all the proposals are made. The balance of power of the institutions will be changed. We say in paragraph 5 of our report that the proposals

> "If implemented . . . would have major consequences for the scope and impact of the Community and for the balance of power between its institutions."

In other words, the dynamism that the hon. Member for Wantage wanted may be strengthened by the adoption of at least some of those proposals.

My hon. Friend the Member for Walthamstow mentioned defence. The Minister made a distinction between defence and security. That is true in terms of Whitehall Departments, but we have seen from the events of the past two or three years that security—which may be a matter for the Foreign Office—and defence are often two sides of the same coin. As the Dooge report said, the design and purchasing of armaments should be considered together. The Minister says no. That matter needs to be kept under review because it affects not only EEC policy but our policy at home and the whole of our

[Mr. Spearing]

foreign policy and defence policy throughout the world as well as our relations with partners, particularly across the Atlantic.

I should like to refer to voting. The Luxembourg non-agreement has been the subject of quite a lot of comment during the debate, but we must remember that it is not part of the treaty. An increase in qualified majority voting, which the Minister mentioned, will raise the question of the basis on which it can be legitimately used. That matter has been raised by hon. Members on both sides of the House. It must be a gentleman's agreement if only because the present agreement is extra-treaty. Therefore, if a country is to declare its use, as the Minister suggested, on what grounds should it do so? When is it legitimate to say that that procedure will be used? The Minister said that a country could use the procedure if necessary. Who is to judge whether it is necessary?

If the procedure is adopted, which Her Majesty's Government agree with to a point, it is clear that there will be some form of practice, custom, development and convention inside the Council as to when the Luxembourg arrangement will be used and when it will not be used. If that is so, as I suspect it will be, I commend it to the attention of the hon. Member for Wantage because it is the sort of procedure that we have in the House. We have Standing Orders, but we also have arrangements through the usual channels and occasionally even behind the Chair. In other words, if the Luxembourg arrangement continues on the lines suggested by the Minister, we shall be adopting the procedures which, in the House, we have found to be convenient and for the benefit of all. Whether that will be ultimately to the benefit of the country or the Community, I shall not venture to say, because that is not my object.

I should like to refer to a matter which is in the motion as well as in Dooge but which so far has attracted no attention. Quite a lot in the motion has not yet attracted attention in the debate, the scope of which is wide. It has been said that Parliament can pick up an elephant or a pin in its procedures, but I am not sure whether we can do both at the same time. I have a sense of unease at the amount of material in the motion, and indeed in our amendment, with which we are not able to deal.

I refer to the conciliation procedure between Community institutions, which was reported on by the Select Committee on European Legislation, &c in its 19th report. The document on that procedure was published by the Commission, and deals with the developing procedures for agreements and discussions between the Council and the Assembly. That point has been discussed by hon. Members.

In our report, we said that the proposal which, no doubt, will be debated at Milan, and which forms part of the Dooge package,

"extends the time limits for discussion, and widens the range of subjects to include all important Community measures, whether or not these have appreciable financial implications."

The Minister did not refer to that directly, but he did refer to Her Majesty's Government's view that it would be appropriate for the Assembly to have greater powers in that respect, and that the views of the Assembly should be made known at an earlier date so that the Council could take account of them and thus be more realistic in its decisions. That sounds practical, but it means that representatives of both bodies will meet. As Chairman of the Scrutiny Committee, I have to tell the House that we have received reports from Ministers saying that that is pending a meeting between representatives of the Council and representatives of the Assembly. That means that the House is more in competition with the Assembly in terms of getting the ear of the Council because members of the Assembly and the Council are meeting in conciliation, meetings that are redolent of industrial relations bargaining.

Mr. Deakins: My hon. Friend is referring to an important matter. Perhaps I can convey a message to the Parliamentary Under-Secretary of State that the Minister of State was a little vague about the new forms of consultation between the Assembly and the Council as an aid to improved decision-making. As I recall, the hon. Gentleman was not specific on the matters to be raised between the Council and the Assembly. Like my hon. Friend, and probably the House as a whole, I had assumed that they were matters within the treaty competence of the Assembly—in other words, where it had some advisory or practical power with regard to the budget. If my hon. Friend is right, and if the area of consultation is to be widened so that the Assembly will be consulted on many matters on which it has no power to be consulted at the moment, that needs to be made clear in the winding-up speech.

Mr. Spearing: I am grateful to my hon. Friend. I emphasise that I was quoting the report of the Select Committee; it is not only my view. We know only too well, because of the lack of the 1985 budget until recently, that if one has power over finance, one can use that control. In certain circumstances, however, one loses control. No doubt that theme will be pursued on Tuesday. It is clear that in exercising financial control the Assembly has indirectly gained the conciliation that I mentioned.

The Minister of State did not refer to one matter that is relevant to the European Assembly that is contained in the Dooge report. It was reported on by our Committee. We said:

"With regard to the standardisation of voting procedures, Mr. Rifkind indicated that the Government would support a single standardised system of elections to the European Parliament."

I am surprised that in technically an excellent speech the Minister did not refer to that matter, for it is of constitutional consequence. The European Assembly Elections Act 1978 does not specify a system that is consistent with those used in other countries. I take it that the Minister's statement to the Committee, and our reporting of it, is a sign of future legislation on this matter. If that is so, I hope that the Under-Secretary of State who is to reply to the debate will let us know.

Mr. Forth: Does the hon. Gentleman agree that in his evidence to the Committee the Minister made it absolutely clear that the Government would be prepared to consider a genuinely uniform system of election throughout Europe but that they would not be interested in a number of variations of proportional representation on the continent, with Britain having to give up the system that it preferred, and does he agree that the Minister said that he would look at the position before legislation was introduced?

Mr. Spearing: I am grateful to the hon. Gentleman. I cannot immediately look up the answer to question 67. Perhaps I should have done so and included it in the

quotation. We need to pay attention to that point. It demonstrates that the Government are considering some change, or at least that they are open to suggestions.

May I refer to previous reports of the Committee that have relevance to the amendment. We do not know what the Government's attitude to it will be. They may accept it. The amendment

"calls on the Government to ensure that proper control is exercised over the Common Agricultural policy; expects the Government to take all possible steps to ensure that expenditure is made subject to effective limits".

That theme has underlined this debate. The Scrutiny Committee followed up this matter, as it was bound to do, during the last two years. Referring to the preparedness of the United Kingdom to consider an increase in own resources, the Foreign Secretary said that we would be so prepared, provided

"first, that agreement was reached on an effective control of the rate of increase of agricultural and other expenditure; and, secondly, that it was accompanied by an arrangement to ensure a fair sharing of the financial burden."—*[Official Report,* 14 November 1983; Vol. 48, c. 611.]

The legislation that now takes the form of the European Communities (Finance) Bill incorporates that proposal. The Bill contains no proposal, however, for control of the money that is to be raised. I am not sure that control is provided for anywhere in terms of legal enforcement. In our report on the disciplinary mechanism to which my hon. Friend the Member for Walthamstow referred we concluded:

"The Committee do not perceive any legal implications in the Conclusions as presented in this document but have already commented on the unusual nature of its status, and the fact that it does not have legislative form."

That conclusion is contained in our second report: House of Commons 5, II, of the 1984-85 Session. It appears, therefore, that the legislation now before us contains a provision for the expenditure of money, but it does not contain any balancing provision concerning its control. According to the Foreign Secretary, this was one of the two conditions upon which extra payments were to be made.

The Scrutiny Committee will endeavour to keep the House informed upon these matters of fact and constitution and upon the extent to which European legislation has an impact in law or political importance upon the House, in particular upon its powers to raise money and control expenditure and upon the laws which determine the lives of British subjects.

8.15 pm

Mr. Christopher Murphy (Welwyn Hatfield): I shall confine my remarks to one document, as yet almost ignored in this debate,

"Stronger Community Action in the Cultural Sector",

and express certain reservations about the European Community setting itself guidelines for greater involvement in the arts and heritage.

Whatever the arguments about the merits and demerits of the Community, it should be noted that there is a growing tendency to move away from referring to it as the European Economic Community towards the simpler European Community. This must be recognised as a movement to involve the Community in a greater part of European life. The particular document to which I refer is evidence of that. Although it has no impact on United Kingdom law and no financial implication, it is understood that the Commission intends to submit formal proposals which could have a legislative consequence and increase expenditure.

I believe it is appropriate in this debate to make clear to our European partners the importance attached to the arts and heritage by the people and Government of the United Kingdom. It has long been recognised that Britain, because of its historic and contemporary position in the world, has a unique contribution to make in cultural matters. That responsibility is taken both thoughtfully and carefully. It is also highly relevant to draw to the attention of other Community members the Conservative belief, being put into practice, that much of the action in cultural matters should be left in the hands of private individuals and of organisations which have shown their dedication to the arts and heritage, the Government being there for assistance and support, if and when necessary.

The Council of Europe already provides on a wider scale a proven forum for ensuring that greater attention is paid by its 21 member states to the difficulties encountered in safeguarding the arts and heritage. Much of our culture has a common foundation with interconnected European themes, and this we hold in trust together for the generations yet to come. But many problems do not even need the Council of Europe's direct intervention; they need the co-operation and good will of nations on a bilateral basis, so that must add to the query about the necessity for a Community initiative potentially involving more laws and more cash. The Council of Europe itself represents that spirit of co-operation and good will among the democratic nations of this continent, and it is advantageous that it concentrates upon the general rather than the specific aspects of protecting and promoting the cultural benefit so evident in Europe.

The EEC document envisages that, although the treaty of Rome is not specifically concerned with cultural affairs, its social, economic and fiscal provisions should nevertheless be implemented in the cultural sector. The Commission also disavows any intention to direct or co-ordinate national cultural policies. The first would surely create a conflict of sovereignty. The latter would equally create an overlap with the Council of Europe. However, the net result of seeking to complement could become a recipe to duplicate. The dangers of additional bureaucracy and political antagonism in decision making must be avoided with all determination.

The Select Committee on European Legislation felt that this document,

"Strong Community Action in the Cultural Sector,"

raised questions of political importance. I urge my right hon. and hon. Friends on the Treasury Bench to be circumspect in the interests of the arts and heritage as well as in the interests of our national law and national expenditure.

8.20 pm

Mr. Jeremy Corbyn (Islington, North): Unfortunately, this debate is not well attended. It contains much of great significance because there are considerable long-term implications for political life in Britain and Europe in what the Minister of State said and the Dooge report proposed. I support what my hon. Friend the Member for Walthamstow (Mr. Deakins) said about the way that Europe treats Third world countries and the way in which Europe treats and throws out people who have come to Europe in search of work after Europe has grossly

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exploited their Third world countries. *[Interruption.]* The hon. Member for Northampton, North (Mr. Marlow), who is mouthing his usual platitudes from a sedentary position, might have the sense to tell what he believes, or is he still as obsessed with his continual attack on divided black families as he has been for the past few weeks since the welcome court decision in their favour? I hope that the House will for once give some attention to the plight of migrant workers throughout Europe

Mr. Marlow: Does the hon. Gentleman accept the competence and jurisdiction of the European Court of Human Rights, or would he rather that these decisions were made here?

Mr. Corbyn: I accept that a decision made by that court is legally binding in this country. If the hon. Gentleman preaches law and order, as he frequently does, he should accept that decision rather than mouth the racist platitudes he has uttered for the past few weeks.

In March 1985 I tabled early-day motion No. 537 on a refugee charter for Europe. It was supported by 45 other hon. Members. I asked that migrant people working in Europe be given political rights similar to those given to people already resident in Europe. I said that migrant workers should not be discriminated against continuously and systematically or be ignored by all the European institutions and, above all, by this Government. That early-day motion sought to explain the way in which asylum-seekers and migrant workers are badly treated and systematically excluded from political life and political consideration. Indeed, they have become an expendable part of the European work force. These serious matters affect 15 million people throughout Europe and should be properly investigated.

Recently, I attended a conference in France of the European Committee for the Defence of Refugees and Immigrants. That is not a Common Market body but a voluntary organisation. About 35 countries, most of which were European, attended the conference, but representatives from Africa, Asia and Latin America attended also. A daily bulletin was produced during the conference, reporting on the session and on the feelings and treatment of migrant workers in Europe. One bulletin contained a cartoon juxtaposing a car factory in the early 1960s with one in the early 1980s. During the early 1960s, this factory rapidly produced cars and employed migrant workers from all parts of the world. Those migrants came from poor communities, which were often impoverished by European policies — for example, countries in west Africa. The same company made a great deal of money during the 20 years to 1985. It then went bust and the workers were thrown out of the factory, their homes and Europe. I believe that the plight of migrant workers and refugees deserves serious consideratiion. They need political rights.

It is to President Mitterrand's credit that he has proposed that migrant workers in France should be given the vote in local elections. I believe that that right should be extended to national elections. Indeed, all migrant workers in Europe should be able to vote in all elections. In that way, their case could be properly considered and the discrimination practised against them would end.

Recently, there has been a number of discussions on these matters in the European Parliament. Two significant motions have been passed and a commission has been set up to combat the ever-growing threat of racism and fascism in Europe. Government Members might choose to ignore that threat, but it is a serious and growing menace. Fascism and racism thrive on economic stagnation, poverty, unemployment and zenophobia. They are led and promoted by zenophobic politicians, such as some Conservative Members, judging by their remarks when I began to speak. They are the sort of people who promote the horrors faced by many people in Europe. They are similar to the sort of people who turned a blind eye to the growth of fascism in Germany and other European countries during the 1920s and 1930s.

Mr. Forth: Will the hon. Gentleman give way?

Mr. Corbyn: I give way.

Mr. Forth: I am grateful to the hon. Gentleman for his unfailing courtesy. When talking about a committee such as this, will the hon. Gentleman help the House by distinguishing between the Right and the Left of politics? What does he find so objectionable about what he calls "fascism"—which is undefined—and what does he find so acceptable about the extreme Left? Will the hon. Gentleman assist the House by identifying what he means?

Mr. Corbyn: This is not a debate on political science. If the hon. Gentleman does not know what fascism or racism are, their basis or what they thrive on, he has no right to represent anyone. If he cannot recognise the evil of fascism, I fail to understand what he is doing here. He knows perfectly well what it is. Far too many people in Europe died because of fascism and the lack of opposition to what went on before the last war in Germany and other countries.

Mr. Richard Body (Holland with Boston) *rose——*

Mr. Corbyn: The situation is serious. One can only welcome the fact that some European Parliament Members have been prepared to take up this issue and investigate the financing and sources of the fascist propaganda that is promoted throughout Europe.

Two other motions were recently passed by the European Parliament. One concerned the plight of Tamil refugees arriving in Europe because of the fear of intimidation in Sri Lanka. The other concerned the specific case of a migrant couple in Britain. The communal divide in Sri Lanka is great. The systematic exclusion of Tamil political leaders from Sri Lankan political life has led to an ever-widening gulf and serious violence. Many Tamil families have left their homes and either gone to India or sought to come to Europe to seek asylum. It is important to recognise that refugees and asylum-seekers have rights, whatever the country from which they come or the country to which they are going. If we turn our backs on them, we shall turn our backs on the basic humanitarian policies that should be enforced in every European country. The European Parliament was saying that the removal of Tamil refugees, and sending them back to Sri Lanka and the considerable dangers that they will face, is a serious matter, and that it was opposed to it.

However, a decision has been taken by the British and Dutch Governments, following the visits by the British Prime Minister and by a delegation of Dutch parliamentarians to Sri Lanka, which claims that it is safe for Tamil refugees to return, although there is no evidence to support that. Because those Governments are not

prepared to consider the plight of the Tamil asylum-seekers whether they are in the Netherlands or here, who are trying to get out of the fear and terror of Sri Lanka, they have introduced a system of exclusion.

On 29 May, the Home Secretary introduced a visa requirement for any Sri Lankan national wishing to leave Sri Lanka and come to Britain. It is the first time that that has happened to a Commonwealth country, and it has serious implications. It is also, I believe deliberately, confusing refugees and asylum-seekers with the other issue of migrant law. The popular newspapers, and many of the less popular Tory Members, have sought to add to that confusion.

The United Nations High Commissioner for Refugees has addressed this problem of Europe and how it reacts to the influx of people from Third world countries. It is significant that a special session was held by Mr. Poul Hartling to discuss the large-scale influx from developing countries. He says that this has been

"a prominent feature of the world refugee situation."

The report compares the large number of economic or political refugees taken in by countries in the Horn of Africa, central America and Asia with the position in Europe. There:

"Negative public attitudes and in some cases xenophobic reactions have tended to focus on asylum-seekers largely because of inadequate appreciation of their special status and needs as a group distinct from the much larger category of alien economic migrants, but also for reasons such as their limited prospects for successful integration in the prevailing economic climate."

The report continues:

"the High Commissioner would like to suggest two guiding principles for co-operation between European Governments:

(a) that international obligations regarding the admission of the refugee/asylum-seeker arriving directly from his country of origin should be clearly reaffirmed,

(b) that practical arrangements for the reception and treatment of refugees/asylum-seekers should be in conformity with the particularly liberal and humanitarian spirit in relation to persons who seek asylum on their territory, which is part of the common tradition of countries in Western Europe."

Those are important statements, and the Government would do well to listen carefully to what Mr. Hartling has said, and the way in which he has put his case to the European Governments. They cannot go on treating people from the Third world countries as they do.

There is a large catalogue of cases of individuals who have been badly treated by either the British or other Governments with regard to migrant law or migrant status. I have already mentioned the recent European Court decision on divided families and one must hope—it is perhaps a faint hope—that the British Government will accept that decision, not in the grudging, miserable way that they have so far, but in its entirety and spirit. I hope that they will introduce the necessary regulations and changes to ensure that the judgment is carried out to the letter and in the spirit in which it was proposed.

I now move to a specific case, which was the subject of a motion carried through the European Parliament last week by 135 votes in favour with 28 against and three abstentions. The case concerns a Cypriot couple, Katerina and Vassilis Nicola, who unfortunately fell just outside the terms of the 1982 special arrangements that the Home Office made for political refugees from Cyprus. Tory Members may laugh and say that that is a good thing, but they have not seen the misery that those regulations cause to people and the horror and fear felt by many families because of the way in which our immigration laws operate.

This couple lost their home in the northern part of Cyprus in the war there in 1974, when the Turkish army invaded. They spent some time in a refugee camp and eventually made their way to Britain. They have worked consistently since their arrival here in 1976 and have made a good contribution to our society. However, they are treated as illegal immigrants and they have been threatened with removal. They have sought refuge in a church in Euston, and have already spent over 100 days there.

It is significant that newspapers and the media on the continent treat the story with far more seriousness and greater coverage than newspapers here. They see it as an indictment of what we would call a civilised society that a young couple should be forced to take refuge in a church to avoid being removed to a house that does not exist and to a country to which they cannot go. It is important that these issues be raised, and one must thank those Members of the European Parliament who are prepared to do so.

I fear that a debate on the prospects for European co-operation in the future and the proposals of the Dooge report ignore many things—the status of migrants and refugees, specifically — and deliberately ignore the economic relationship between Europe and many Third world countries. Such relationships tend to perpetuate the sort of economic neo-colonialism that was a feature of European prosperity in the past and some people intend it to be the case in the future.

If that is not serious enough, there is an even more serious aspect, which is the proposal implicit in the Dooge report, and other reports, of greater European defence reliance on NATO. The threat of a nuclear war in Europe is far greater, and is worse as a result of the proposals for the integration of some countries in Western Europe as part of NATO. I do not see any peaceful intention in those proposals, but merely an aggressive proposal that can only bring greater danger to the people of western Europe, and greater expense. That money could be much better used on many socially useful things.

8.37 pm

Mr. Tony Marlow (Northampton, North): I am sorry that the hon. Member for Hamilton (Mr. Robertson) is not present and that, as a red herring in the debate, he sought to attack the Government on unemployment. Goodness knows how much and how deeply the Government care about the tragic problem of unemployment. Goodness knows how much the Government have done and achieved in fighting the evil of unemployment. Massive resources have been given to the Manpower Services Commission, imaginative programmes have been set up for young people, and there has been a freeing of business so that commerce and industry can provide real jobs for our people.

The hon. Member for Hamilton put the problem of unemployment into the European context, but he did not have the honesty to mention the fact that, of our population of working age, a bigger proportion of people is in work than in any other major western European country. I can see in my constituency the deep and worrying problems of unemployment. The level of unemployment in Northampton, North is lower than the level of unemployment in north Rhine Westphalia, the area in Germany in which the Ruhr valley is situated. If we have problems here, does the hon. Gentleman not recognise that

[Mr. Tony Marlow]

other people have problems? All this simplistic, heart-on-the-sleeve concern, this throwing of other people's money at the problem without any thought about it, is something that we should deprecate.

Mr. Foulkes: Will the hon. Gentleman concede that they have problems in Germany, because Chancellor Kohl is following the same stupid, deflationary monetary policy of our Prime Minister and Government?

Mr. Marlow: I believe that the hon. Gentleman feels that he has made a cogent and devastating point. However, if he looked a little further, to France and Italy, which follow the Socialist policies that he would like here, he will see that they have the same problems as us. In Italy, they are rather worse.

Those who follow these debates in the House and outside, like Gaul, divide themselves in three parts. First, there are the nationalists. I have sympathy with them, but I am not a nationalist on this subject. They believe that we should have nothing to do with Europe. They believe that we are different, that we should have our own laws, that we should trade internally, that we should put up barriers and frontiers and that we should be self-sufficient. I have sympathy, but that I do not agree with.

Then there are the extremists, the Euro-fanatics, the federalists. They divide into two groups. There are those who want a united Europe by stealth — two steps forward, one step backward. Then we are in a position of no return—locked in with the chains around us. We are in a federal Europe and there is no way out of it.

They do this in several ways. In today's *Daily Telegraph*—and I dare say in other papers as well—there was a reference to a European organisation that calls itself the People's Committee, headed by a Signor Pietro Andolino, an Italian professor. The committee has suggested that there should be a European flag, a European anthem and a European sports team. I have not had a single letter from any of my constituents demanding these things, yet this is supposed to be a People's Committee.

These federalists try to insinuate policies in areas in which they have no competence. I have before me a draft conclusion on the European dimension in education. According to this, there is to be a European dimension in relevant subjects of the school curriculum and in teacher training courses. So Europeanism, federalism, is to be taught in schools—at the expense of what? Is it to be at the expense of religious education? I hope not. Is it to be at the expense of peace studies? The GLC should survive to see that.

There is also a draft directive on illegal immigration. What has that got to do with the European Economic Community? We discover that some of these European organisations suggest that we should have an immigrants day. Perhaps we should, but not as a result of a European request.

The next one is good. It is suggested that we should have a declaration against racism. Ken Livingstone should be here to enjoy that.

Then there are those who are more direct and even more extreme in the way that they try to achieve a federal or —as they would call it—unified Europe. At the top of that list are the Members of the European Assembly.

Another document kindly provided by the Commission arises from a draft protocol put forward by European Members of the Assembly. The Commission suggests that in the territory of member states — that is, throughout the whole of the EEC — a Member of the European Assembly—no doubt a very important person—should have immunity from any measure of detention and from legal proceedings at any time, not just during a session. So the Member could commit any crime or felony; he could go to a hotel or restaurant, refuse to pay the bill, and storm out. I suppose he might have droit du seigneur if he wanted it. Adolf Hitler should be here this very day; he would be queuing up to join the European Assembly so that he could breed his master race without let or hindrance.

As well as the nationalists and the Euro-fanatics, there are the vast majority like myself—the moderates—who believe that we are European and that we belong to western Europe. We always have done; it is just across the sea. We need Europe. We have interests in common with Europe. We want to trade and work with Europe. We have many common ideals. We want to work together, but only in free association on those ideals that we hold in common, as my hon. Friend the Minister of State said from the Front Bench at the beginning of the debate.

We must watch out for this creeping European federalism. There are two watchwords that we should bear in mind. We must watch the funds and we must watch those areas where people are trying to extend their competence. Above all, we must watch the European Assembly. At the moment it lacks power, but its only motivation is to achieve and acquire more power for itself.

We have said for a long time that the time would come when the common agricultural policy would cost so much that it would bump up against the ceiling of European own resources and that this would force a change in the common agricultural policy and bring about necessary reform. As we see, the opposite has happened.

I have before me an answer from my right hon. Friend the Minister of Agriculture, Fisheries and Food which sets out the cost of the common agricultural policy. For every £55 that was spent in 1981, in 1982 £63 was spent; in 1983 £80 was spent; in 1984 £92 was spent; and the budget estimate for this year is £100. On the basis of estimates alone, that expenditure has almost doubled over the short period of four years. When my hon. Friend introduced the debate, he tried to indicate that agricultural expenditure was under control. Even on the budget, it is 8 per cent. greater this year than it was last year. Heaven knows, the budget will be overrun, as it always is. One can rest secure on that.

Mr. Foulkes: It is guaranteed.

Mr. Marlow: It is guaranteed, as the hon. Gentleman says.

In European agriculture we are increasing production at the rate of 2 per cent. per year, and we are not increasing consumption. There are parts of the world, such as north Africa, which are desperately short of food. There are other black holes. Russia? Perhaps, but for how long?

We have an increasing surplus of agricultural production in Europe. There are problems in agriculture in the United States. In most of the world, competence in agricultural self-sufficiency is increasing. My hon. Friend said that the matter is under control and that we have got a grip on agricultural expenditure, but that has been said

before. It was said four years ago, and expenditure went up. It was said three years ago, and expenditure went up. It is being said again this year, and expenditure will go up.

There is only one way to crack the problem of agricultural expenditure, and that is to put a ceiling on it. My advice to the House is to take the matter seriously. If we want a sensible agricultural policy and if we want to control the funds that our constituents as taxpayers have to spend on this extravagant area, we must think carefully about increasing European own resources.

I profess to being a good European, but those who have a different instinct and set themselves up in their way as good Europeans should think twice before approving this increase in funds. By approving the increase they will bring about the very horror that they are seeking to prevent. If they want to control European policy and have a sensible agricultural policy, they should not sign the cheque.

Mr. Forth: Does my hon. Friend share my concern that the Government's case for allowing an increase in resources is based on a budgetary disciplinary mechanism that they say will come into effect? Is he aware that the document on which that is based is littered with expressions such as "exceptional circumstances," "other developments" and "changing the reference framework"? Does he believe that the loopholes in the document mean that it is of little or no value in the context of discipline?

Mr. Marlow: The thing is littered with as many holes as Al Capone after he had been machine-gunned. It is like a colander: the cash will run through it. There is no safeguard in that document, as my hon. Friend has so rightly pointed out.

Of course, some people say that we might one day get agriculture under control. They are being totally unrealistic, unless we put a ceiling on funds. If agriculture did take up a decreasing proportion of European expenditure, what would the other money be spent on? Would it be spent on other policies? Do we want Europe to have other policies? If there is money to be spent, is it not better spent by ourselves, in our own countries, such expenditure being decided upon by our national Parliaments rather than by European institutions?

Mr. Corbyn: Is there not something obscene about the EC running up huge agricultural surpluses, in many cases denaturing or destroying crops, while only a couple of thousand miles away, in north Africa, thousands of people are starving for want of that food? Does the hon. Gentleman accept that the best action we could take would be to ensure that that food gets to north Africa as quickly as possible?

Mr. Marlow: I have no brief for the common agricultural policy as it currently exists, and the hon. Gentleman is right to say that there are massive surpluses. To be fair, however, at least 1 million tonnes of grain have been earmarked, and much has already been moved to that unfortunate area of the world. However, that will not solve the problem, because in north Africa there are political, distribution and other difficulties. I am sure that we should all like to solve the problems of that unfortunate area.

I am also worried about the creeping extension of competence in the EEC. Some able and ambitious people go to Brussels as Commissioners, civil servants——

Mr. Forth: As MEPs.

Mr. Marlow: —and as MEPs, as my hon. Friend rightly reminds me. Having arrived, they want to change things. They want power. The result is that in many areas where policies are not needed and where harmonisation is not required, these ambitious people put forward ideas and seek to promote themselves and their reputations. They often do that by bringing about measures which nobody really wants.

I said to the Minister in an intervention that Europe was about barter. Directives come forward thick and fast, in a basket, some of which we want and others we do not. To get those that we want, we must agree to directives that we do not want.

Yesterday we debated fast frozen foods, the debate resulting from a proposed directive that we agreed we did not want. The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food said that the Government were against it, but that if it was changed, it might be found to be acceptable. I suspect that it will be changed, and while the Minister may not, even then, find it acceptable, as a result of the moral blackmail imposed by other European countries which want it—despite the fact that we in this country eat more frozen foods than any other European nation—we will be told that, in the view of the Government, sensible changes have been made and the directive is acceptable.

When that happens, a Government who say that they wish to reduce the amount of legislation will be introducing laws that the country does not want, placing burdens on people and increasing costs on retailers—in this case retailers of frozen foods—and setting up a hierarchy of inspectors and bureaucrats to make sure that the regulations are properly applied.

The Dooge committee wants a judicial area and a new media, a sort of EBC — a European broadcasting corporation. While I have no objection to anybody setting up such an organisation, I say let them do it with their own money. If established, it will not be successful. Indeed, it will probably prove to have an even smaller audience in the United Kingdom than Welsh language Channel 4 television.

The Dooge committee also wants to give the Commission greater executive responsibility. Is that the way in which we in Britain work—by giving more power to the bureaucrats? Should not power be vested in Parliament and Ministers?

The two main points that I have made are that we must watch the money and the power. It is our responsibility, on behalf of the people we represent, to control as much of the power and the money as we possibly can.

8.55 pm

Mrs. Ann Clwyd (Cynon Valley): The hon. Member for Northampton, North (Mr. Marlow) would benefit from a period in the European Parliament, rubbing shoulders with people of nine other nationalities. It is clear that he knows little about the European Parliament. That was clear from many of the assertions that he made in his 20-minute speech, but more of that later.

I wish at the outset to pay tribute to the retiring member of the British Labour delegation in the European Parliament, Mrs. Barbara Castle. The Minister showed considerable interest earlier in the fate of Mrs. Castle. As one who served under her there for five years, I wish to pay a special tribute to her qualities of leadership. She is still the only British politician of international standing in

[Mrs. Ann Clwyd]

the European Parliament. She is respected by people of all parties for the contribution that she has made to that Parliament in the last five years.

Much has been said in this debate about the old argument of national sovereignty. The longer I am in this House, the more I am amazed that, in particular, Conservative Members still believe that national sovereignty exists. Bernard Crick recently put the concept of national sovereignty in its place when he described it as

"an 18th century Whig doctrine intended to scare the respectable in the smaller nations into believing that if they do not leave the key decisions to London, law and order will break down."

I am surprised that its proponents still believe that national sovereignty could enable us to opt out of what is a highly interdependent economy.

About 65 per cent. of the world's GNP is controlled by 1,000 multinational companies. Those companies have such powers to switch jobs and capital that they can upset Governments and economies. Companies are increasingly planning their corporate strategies on a Europe-wide basis. What influence national sovereignty then?

The hon. Member for Mid-Worcestershire (Mr. Forth), who is always keen to leap to his feet when this subject is discussed, played a key part in defeating an attempt in the European Parliament to control the activities of multinational companies. Those who claim that that Parliament has no powers should ask why the multinational companies spent so much time, when we were attempting to get that legislation through, lobbying Conservative Members in an attempt to frustrate what was a modest step to control their powers.

Mr. Forth: Does the hon. Lady agree that the wealth-creating powers of the multinational companies far exceed any power that we have yet seen from centrally controlled bureaucratic or Socialist systems and that the potential and actual power for good of the multinationals is correspondingly greater? Cannot she see the evidence for that with her own eyes?

Mrs. Clwyd: It is very interesting that the hon. Gentleman was one of the key people in the committees of the European Parliament and in the Parliament itself in frustrating the attempt to control the power of the multinationals. Whatever he may say tonight, that was a very retrograde step and one which many Members on the Government Benches I believe now regret. When, as one of the documents that we are dealing with tonight says, they are continuing to debate the Vredeling directive in an attempt to resurrect it, I hope that hon. Gentlemen realise the error of their ways.

The attempt to introduce the Vredeling proposals provoked a controversy out of all proportion to what was being proposed. Employers' organisations in Europe, individual companies and, above all, American-based multinationals launched a campaign of unprecedented virulence. Members of the European Parliament were lobbied with a persistence and intensity that had never before been experienced. Indeed, some Conservative Members, whose party is of course represented in the European Parliament, were very prominent in the success in frustrating those very modest proposals. If only some of them had come clean and told us quite clearly that they were representing some of those multinational companies, perhaps some of the employees' organisations in Europe would have launched a similar campaign in an attempt to get that legislation through the Parliament.

Mr. Corbyn: Does my hon. Friend know roughly how many jobs have been lost in all parts of Britain as a result of multinational companies shifting their investment out of this country into Europe because of the free movement of capital that is explicit within the European Economic Community? Is she aware how many of those jobs would have been lost as a direct result of the activities of Conservative MEPs in opposing the move to try to bring some measure of democratic control over completely undemocratic and ruthless multinational organisations?

Mrs. Clwyd: Yes, and I seem to recollect that the hon. Member for Cheltenham (Mr. Irving), when he found that a multinational company was proposing to move from his constituency to another constituency overseas, also expressed the view at that time that he wished we had something similar to the original Vredeling proposals operating in this country.

Thousands of jobs, certainly in my old European constituency, were lost because multinational companies were not forced to consult and inform their workers about their plans to relocate overseas. I hope that as soon as possible the European Parliament will be able to resurrect the Vredeling proposals.

I want to talk briefly about the powers of the European Parliament, because I believe that they ought to be increased. I do not believe that one should criticise the European Parliament for not being particularly progressive in the past five years. When one considers how long it has taken to win radical reforms at Westminster, it seems unrealistic to suggest that the European Parliament could have delivered a lot in the past five years. The Parliament lacks power to back its sometimes radical proposals with anything except draconian measures, such as sacking the Commission en bloc or throwing out the whole budget. So, in my view, we cannot criticise the European Parliament —it is like hobbling a horse and then expecting it to run — while the major powers rest with the Council of Ministers.

One proposal is coming before the Council of Ministers next week which in my view will have a considerable effect on employment prospects in this country, particularly in Wales, where the steel industry has already been badly affected by the draconian cuts imposed upon it by this Government some years ago. Once again it looks as though the Government are going to sell out on a matter of considerable importance to the Welsh steel industry. Hon. Members on the Government Benches who have been crying crocodile tears tonight over employment will know that Wales, like other regions of the United Kingdom, is suffering from the effects of the policies imposed upon it by this Government, and is particularly badly affected at this time.

Therefore, the EEC directive on containers of liquids for human consumption, which was considered by the Scrutiny Committee yesterday, is a matter of considerable importance to us in Wales. I should like some specific assurances from the Minister tonight that he will ensure that when this directive is implemented—as it appears it will be, because the United Kingdom Government is to agree to it next week—the steel industry in Wales will be protected.

Mr. Marlow: Does not that emphasise the point that I was making? The hon. Lady and Her Majesty's Government know that that is a bad policy and that we do not want it, but because of the bartering—if one wants two reasonable policies one has to put up with one nonsense—we are having that policy. That is one of the problems with the Community.

Mrs. Clwyd: There are many problems in the Community, all of which I cannot address tonight. One which I believe the hon. Member for Northampton, North would agree is of some importance is that in the Council of Ministers next week the United Kingdom Minister will agree that directive. He has assured us that, provided some measures are vigorously applied by the Commission, the directive will provide a defence against the erection of artificial trade barriers. That relates, in particular, to safeguards which will ensure non-discrimination between different types of container and different types of packaging and to the non-obstruction of products in one member state which are legally produced and marketed in another.

It would be helpful to know what criteria and procedures will be instituted by the Commission to ensure that no discriminatory legislation is allowed to be implemented, because the Commission does not have a good record of ensuring that steel quotas, for example, are implemented in all member countries with the same rigour.

The Government are clearly aware of the deep anxiety in south Wales about the discriminatory nature of the deposits systems and the dangers that they hold for the tinplate industry. The long-term future of the beverage container and, therefore, that important sector of the British Steel Corporation's business will now become dependent upon the existence of a proper framework to ensure that the latest qualifications to the directive are properly monitored by the Commission and the rules rigidly applied.

Apparently, the Government look to the Commission to secure the implementation of the promised safeguards for United Kingdom trade and hope that the trade will inform the Commission of any potential infringements. Proper enforcement is clearly a crucial factor in the Government's acceptance of the directive in its present form, but considerable anxiety still exists, and existed within the Scrutiny Committee, as to the Commission's ability to monitor the operation of the directive in the various countries of the Community.

We expect any serious difficulties that occur to be reported by the Government to the House. The Minister told us that a satisfactory programme can be based on voluntary agreements without recourse to legislation. If that proves not to be the case, I hope that the Government will bring forward appropriate subordinate legislation, because this country's tinplate industry must not be penalised by lack of proper scrutiny of the legislation by the Commission.

In the document entitled "Developments in the European Community, July to December 1984", a section is devoted to social affairs, especially to the recommendations on positive action for women and the changes in the European social fund.

I am a member of the European Parliament and of its social affairs and employment committee. We warned the United Kingdom that changes were taking place in the social fund—so-called reforms—which would adversely affect the United Kingdom. We said that if those reforms went through there would be less money available in the social fund for the United Kingdom. No notice was taken of those warnings. That shows a serious lack of understanding by the Welsh Office—I am sorry that the Secretary of State for Wales is not present to reply to this point — because Wales has a strong argument to put forward against reforms of the social fund which would mean spreading money more thinly throughout the United Kingdom. I was told by the Welsh Office that it was a matter for the Department of Employment and not for the Welsh Office. The Welsh Office should have been fighting Wales's corner to ensure that it received its fair share of the money available under the social fund.

Those warnings have been borne out because, strangely enough, Powys is the sole area in Wales that will not receive any benefit from European Community assistance for training projects for at least the next three years. That point has already been taken up by Powys county council through representations to the Government and to its representatives in the European Parliament. However, no notice was taken of the particular situation of Powys and other rural areas in Scotland and Cumbria that have also been excluded from that section of the social fund. I am sure that that will not go unnoticed in Brecon and Radnor.

An interesting suggestion in the European social fund directive is to make special allowances for categories of pople who have difficulties in the job market. Those cover vocational training for or recruitment to jobs for women in occupations where they are under-represented. But again, the record of the United Kingdom Government on that aspect of the social fund is very poor. Millions of pounds have already been lost to the United Kingdom and thousands of women have been denied training opportunities because the Government have broken the sex discrimination laws on their application of the European social fund. That is again further evidence of the Government's disregard of women's needs and rights.

Fifty-eight per cent. of money in the European social fund for the training of women has gone to West Germany, while only 3 per cent. went to the United Kingdom. The only people we can blame for that are the Government. The fact that the highest proportion of the £16 million in that section of the fund went to West Germany is a measure of the importance that that country gives to the training of women compared with the attitude in the United Kingdom. Training programmes for women have received financial backing from the European social fund and have taught women a wide variety of skills in their countries. They have been trained as mechanical engineers, toolmakers, mechanics and fitters. They have been trained in manual skills as painters and joiners. In electronics, they have been trained as fitters and engineers.

The Government have operated a deliberate policy to conceal that section of the fund. I have had lengthy correspondence with relevant Ministers over several years that emphasises that point. I was told by the Department of Employment that it does not advertise that section of the social fund because it discriminates in favour of women —despite the fact that the sex discrimination laws allow for such discrimination in areas where women were previously discriminated against. I hope that now that that section of the fund is being reintroduced the Government will implement it fuliy so that women in our country may have the benefit of it.

[Mrs. Clwyd]

The Government have sent the draft directive on parental leave to 30 organisations for consultation. The way that the consultative paper has been framed is clearly designed to put people off the idea. It is crucial that that directive is implemented and that we give it full backing.

Given the need to change the structure of the employment market because of high unemployment, if parental leave applied to both parents men could take time off without loss of identity. The draft directive would help create a much-needed balance between home and work because it applies equally to men and women and would give men the legal right to take time off when their children were born. That is a further example of the work being done in the European Community to achieve equal rights for men and women and of the work that should be done by the United Kingdom Government.

9.15 pm

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): When replying to a debate, it is not uncommon to begin by saying that it has been a wide-ranging debate but few debates are as wide ranging as debates on the European Community and that is even more true of today's debate in view of the large amount of documents before us.

It is a pity that in opening the debate the Minister of State—I see that he has not yet returned—spoilt an otherwise good speech with a cheap jibe about Mrs. Barbara Castle. As my hon. Friend the Member for Cynon Valley (Mrs. Clwyd) pointed out, Mrs. Castle has a great record of service in the European Parliament. Moreover, her successor was elected in almost exactly the same way in which the Minister's heroine, the Prime Minister, displaced her own predecessor, in a democratic election.

The Minister's comment was unfortunate for the Government, but it was fortunate for me as it allows me to mention briefly the serious split within the Conservative group in the European Parliament and between that group and Conservative Members of Parliament in Westminster. As the report produced by Mr. David Curry shows, the split is so severe that the Government have had to employ a redundant Conservative Member of the European Parliament at the taxpayers' expense to try to patch up the differences. The report referred to personal back-biting between Conservative Members of the European Parliament and Conservative Members in Westminster and stated:

"We should stop pretending that we can reform the CAP or even the budget."

That shows the wide gulf between the Government and their representatives in the European Parliament.

Even more seriously, last Wednesday when the European Parliament considered important documents about European union and the recommendations of the Dooge committee, Spinelli and the rest, the British Conservative group—unlike the British Labour group—was split, eight of its members voting against the resolution and the rest voting in favour of it.

In the light of all that, it ill behoves Ministers to talk about proper democratic elections within the group.

Mr. Renton: I should put the record straight about David Curry's report. The report did not say that the CAP could not be reformed. It said that action was required from the Council to reform it. That is what we are doing.

Mr. Foulkes: I have the report here, but that is not what I read.

I am sure that the hon. Member for Northampton, North (Mr. Marlow) does not agree about reform of the CAP. A parliamentary answer to the hon. Gentleman today from the Minister of Agriculture, Fisheries and Food showed that the amount of money being swallowed up by the CAP had effectively doubled in four years. No one could describe that as effective control.

Mr. Norman Buchan (Paisley, South): Mr. Curry did not just say that the CAP could not be reformed. He said that we should stop trying to hoodwink people into believing that it could be reformed.

Mr. Foulkes: My hon. Friend is absolutely right.

I hope that the whole House will also deplore the complacent attitude of the Minister to the bankruptcy of the European Community. We hear very little about that. I have attended two or three debates in the past 12 months in which we have discussed ever more loans to the European Community—in Eurospeak they are known as recoverable advances because technically we are not allowed to give loans—involving hundreds of millions of pounds. I gather that the Community has today demanded that £115 million be paid immediately, one month in advance, because it is so bankrupt because, as my hon. Friend the Member for Paisley, South (Mr. Buchan) said, the CAP is out of control.

As my hon. Friend the Member for Hamilton (Mr. Robertson) said, it is regrettable that the Minister of State did not mention unemployment. The hon. Member for Northampton, North took that up. I said in an intervention that deflationary policies in Germany are helping to create the same level of unemployment there. The hon. Gentleman also mentioned France. It is facing difficulties because it is trying to reflate whereas the majority of member states are following deflationary policies. We look forward to there being more Socialist countries, all of which are reflating and creating jobs, wealth and growth in the Community.

My hon. Friend the Member for Hamilton said that unemployment is the great unmentionable. Budgetary discipline is equally unmentionable.

Mr. Spearing: It does not exist.

Mr. Foulkes: Perhaps it is wise not to mention it because, as my hon. Friend the Member for Newham, South (Mr. Spearing) says, it does not exist.

It is unfortunate that the Community seems to concentrate on trivia such as flags, anthems, European passports and more duty-free goods. Extra duty-free goods are fine for those of us who are rich enough to fly backwards and forwards, but for the majority and the 4 million unemployed desperate for an opportunity of a job, such matters are trivia indeed.

The hon. Member for Welwyn Hatfield (Mr. Murphy) mentioned cultural co-operation. The Commission, those great men of experience, are talking about studying the employment implications of new audio-visual technology, which is useful, and closer co-ordination of European media policies to avoid internal competition and to strengthen cultural industries against external competition. In other words, Koronationstrasse is to be protected against the invasion of "Dallas" and "Dynasty". Our highly paid commissioners have more important things to

discuss. As the hon. Member for Welwyn Hatfield said, the Council of Europe has a remit for considering such matters on a wider front.

When the Commission and the Community talk about such trivia, they also come up with things that are a little more sinister. For example, the Commission recently said in a programme:

"European citizens should be able to travel freely throughout the Community"—

this is the sting—

"without being inconvenienced as consumers by differing VAT rates."

The hon. Member for Edinburgh, Pentlands (Mr. Rifkind) and I can cope with the different VAT rates. Behind such a suggestion is harmonisation upwards. My hon. Friend the Member for Hamilton mentioned other tax rates.

I have said that trivia are being discussed, but what should be being done? We have much poverty in Britain. The first scheme under the poverty programme was highly successful, and £21 million is proposed in the second scheme. Unusually, 70 per cent. of the finance for programmes put up by voluntary organisations to help with research and other activities concerned with poverty comes from public sources. On 21 December 1984, the Secretary of State for Employment told the hon. Member for Manchester, Withington (Mr. Silvester) that the programme would continue. The Government expert from the Department of Health and Social Security said that those programmes can be very important and most effective in countering the effects of poverty.

They will be important and most effective in Wales and England, but not in Scotland. My hon. Friends who represent Scottish constituencies will be especially worried that one of the good helpful schemes from the European Community, which even the critics of the Community would welcome, will not be available in Scotland. The Minister of State who represents a Scottish constituency, which includes Wester Hailes and other areas which could benefit from the scheme, should be particularly ashamed that we are not going ahead with it.

The regional fund can also benefit the United Kingdom. My calculation—I used one of the new demonstration telephones that we are to have in the House, no doubt at enormous expense, which have the advantage of a calculator—

Mr. George Robertson: And being British made.

Mr. Foulkes: As my hon. Friend said, another advantage is that the telephones are British made. With that calculator I worked out that only 5·6 per cent. of the new Community budget would be spent on the regional fund. There will be a decrease in the draft budget. The Government's own review of regional aid shows clearly, as does a reply I received from the Parliamentary Under-Secretary of State for Trade and Industry on 5 March, that vast areas of England, Scotland and Wales will lose out on regional aid because of the reviews of travel-to-work areas and of regional assistance. As a result of that, European aid will be lost to vast areas of the United Kingdom. Therefore, we shall receive less of that 5·6 per cent.

There is the integrated Mediterranean programme. The Greeks are a shrewd lot. In agreeing to the arrangements for the accession of Spain and Portugal, the Greeks extracted three conditions from the EC. The third was a redeployment of budget finance towards Greece. If we redeploy 6 billion ecu to Greece—a huge sum—it will mean less for our poor areas. Britain will lose out yet again.

Mr. Deakins: My hon. Friend makes an important point, because the agreement with Greece is merely the first step. It seeks to safeguard the Greek position on Mediterranean agricultural products before the entry of Spain and Portugal to the Community. When Spain and Portugal become member states, there will be increased pressure from Greece, and the Spanish and Portuguese will also ask for more.

Mr. Foulkes: I am grateful to my hon. Friend for that support and amplification.

The social fund is only 4·9 per cent. of the budget because of the huge sums swallowed up by the common agricultural policy. Again, there will be no increase. Yet demand in the social fund has increased by nearly 60 per cent., as my hon. Friend the Member for Cynon Valley pointed out. The social fund is a success story, and more and more people and employers want to take advantage of it.

Mr. Marlow: Why do we have to send money to Europe for regional or social funds so that the Community can allocate priorities and send it back to the United Kingdom? Why do we not keep that money here? The hon. Gentleman says that we are missing out on these schemes. He should realise that under our system of rebates we receive a finite sum and, therefore, if we do not receive it for one policy, we receive it for another policy.

Mr. Foulkes: I understand the circular argument, and it really is a circular argument. One of the ironies is that money is spent on areas, which if it were not for the Community and because the Government are so reactionary, they might not spend money. Although demand has increased by nearly 60 per cent., the supply will increase by only 6 per cent. The rules have been changed, and areas have been excluded. As my hon. Friend the Member for Cynon Valley so eloquently said, one of the areas excluded was Powys, in which is Brecon and Radnor. I hope that that will be shouted loud and clear—I shall be there a week today—from the hills and in the valleys——

Mr. Rifkind: In Welsh.

Mr. Foulkes: Most of the people in Brecon and Radnor speak English, as the Minister of State knows. Indeed, 8 million people in the Community will lose out because of the restrictions on the social fund.

Fourthly, I must mention the importance of food aid. It has been mentioned by several hon. Members, and many of my hon. Friends were especially worried about the cost of the mountains. It is a criminal disgrace, and a blot on the landscape of the Community, that it costs nearly £2 billion to store those huge mountains. My hon. Friend the Member for Paisley, South knows the great work that was done by the MEP for Glasgow, who obtained some frightening figures for the rate of destruction of the food. For example, the Community destroys 5,266 oranges every minute. That is criminal when people in the Third world are starving. Recently, I obtained information about the growth of the mountains. Far from being controlled, they are now out of control. The butter mountain has

[Mr. Foulkes]

increased by 36 million tonnes, worth £50 million, and the beef mountain trebled between December 1983 and December 1984.

At the same time, the report of the Select Committee on Foreign Affairs—I pay tribute to the Chairman of that Committee, the hon. Member for Stroud (Sir A. Kershaw), and to my hon. Friend the Member for Newham, South, who is a distinguished member of the Committee—entitled "Famine in Africa" points out some of the problems. Its recommendation No. 34 suggests that

"The Government should initiate urgent action to make . . . intervention stores . . . readily available for emergency aid."

The report also states that the intervention stocks are owned by the national Governments but that the EC must finance them when they are sold out of intervention. But the EC does not have the money. The limited amount that it has been using has been taken from other areas. Money taken from the Bangladesh budget has gone to sub-Saharan Africa. It is taken from those who are starving and given to those who are dying.

The hon. Member for Northampton, North said that the commitment made at the Dublin summit was to supply 1·2 million tonnes of grain, but only a few thousand tonnes have been delivered. The Ministers who represent us in the Community must put on some pressure to send those disastrously huge stocks to the starving people in the Third world.

I could have mentioned many more matters, but I wish to give the Minister time to reply to all the points that have been made. However, in the time remaining to me, I shall make two final points. First, the report of developments in the EC between July and December 1984 mentions political co-operation. When he introduced the debate, the Minister of State was as selective as usual when speaking about political co-operation. He exaggerated the support that Britain received on the Falklands. Much arm-twisting was done to get some of the reluctant member states into line. However, I share his analysis of the Venice declaration. What he did not mention—I am raising these matters because I have a Front-Bench responsibility for them, as does the Minister who will reply to the debate—was Latin America. The European Parliament has passed an important resolution on Chile, suggesting that Ministers combine to take some action against the vicious, oppressive regime in that country. It is about time that the EC considered a joint political approach to the matter, and I agree that the setting up of a small political secretariat might help in that direction—[HON. MEMBERS: "Oh!"] I have got some Conservative Members worried now.

Secondly, I refer to Central America. There was a useful meeting when the Foreign Ministers of the Community met in San Jose to discuss the joint action by the Community countries towards Central America. I hope that the Minister will say that that will be followed up, and that the British Government support Claude Cheysson's initiative for financial aid to some of the poorer countries of Central America. I hope that, with political co-operation in the Community, there will be scope for the countries of Europe to develop an independent line instead of slavishly following the dangerous American line, particularly on Nicaragua. That would make political co-operation worth while.

We in the Opposition recognise the importance of the Community as a forum for positive co-operation between the countries of Europe. It is an important forum, but it is not the only forum. Our co-operation has produced the airbus without the need for institutions, which has been good. We have the Council of Europe, as the hon. Member for Welwyn Hatfield said, but we agree that we should use the Community, while we remain members, to promote our common interests. As my hon. Friend the Member for Hamilton rightly said, the national interest need not necessarily be divorced from the common interest. We have seen useful work on the Esprit programme and acid rain, and we hope to see it on EUREKA as well. However, as has been said by many people, we regret how much the Community is dominated by the common agricultural policy.

We recognise the value of a European voice in foreign policy so that we can be more powerful in our criticism of the superpowers, where it is appropriate to do so. Perhaps we can be a greater force for peace in Europe. The Opposition support the increasing awareness among our sister Socialist countries of the need for a policy of co-ordinated expansion to end the common scourge of unemployment. Countries such as West Germany will be Socialist. It is a race between Britain and West Germany to see which returns to Socialism first.

We believe in co-operation in areas such as high technology, which is necessary to counter the increasing domination of the United States and Japan. However, we reject the worship that we see among Conservative Members of the internal market as an end in itself. It may help in the long term, but it will not solve the major problems of unemployment and poverty that face us at the moment. If the Government think that it will, it is a vain hope.

We reject any idea of a united states of Europe. We reject petty harmonisation for the sake of it, for example on the internal temperature of frozen peas, as we saw last night. Nevertheless, we recognise the need for positive co-operation with our neighbours on matters of mutual interest. We look forward to a Labour Government co-operating with other Socialist Governments in the European Community to get Britain and Europe back to work.

9.38 pm

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Tim Renton): I can agree with the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) on one thing: it has been a wide-ranging debate. But I cannot agree with him on very much else.

One thing that I noticed—I am sure that my hon. Friends did too—in the speeches of the hon. Gentleman and of the hon. Member for Hamilton (Mr. Robertson) was that they reminded me of the wolf in the children's story that says, "I'm going to huff and I'm going to puff and I'll blow your house down," to the piglets. The two hon. Members both huff and puff, but they do not quite blow the House down. Why is that? It is because in them both there is a strange sense of worry. On the one hand, they think that they should appease their hard Left, oppose Europe with all their strength and oppose anything that the Conservative Government support. On the other hand, they have a nasty feeling that perhaps the Common Market will succeed, so they should be pressing for more reform

more quickly. They talk about EUREKA and Esprit and ask why we do not get on with those things more quickly. They try to ride, therefore, two horses at the same time and, like Barbara Castle who did the same thing, they do the splits. That comes out in their speeches.

The Opposition will adopt the same ambivalent position when I tell them that the Government propose to accept their amendment. The hon. Member for Hamilton said how important it was to have a debate on these documents, so it is a great pity that nowhere does the Opposition amendment mention the documents. Although we accept the amendment, I have reservations about its wording.

First, it refers to "planning jobs." We do not believe that the job of the European Council is to plan jobs. Nevertheless, it is of very great importance to it. The hon. Member for Carrick, Cumnock and Doon Valley referred to unemployment in the European Community as the "great unmentionable", but he perhaps forgot that at the European Council in March it was reaffirmed that it is of prime importance that each Government in the European Community should combat unemployment. Therefore, the Government do not accept those words, although we accept the importance of tackling unemployment.

Secondly, the Government do not believe that the reference to the European Council diluting its energies by focusing on less important goals is right. The goals upon which we have focused — improvements in decision-taking, the internal market and political co-operation — are very important.

In a well thought out and philosophical speech, my hon. Friend the Member for Wantage (Mr. Jackson) referred to the British as "slow-moving, unimaginative, insensitive and arrogant." All of these words referred to our failure to work more quickly and speedily towards taking the European Community more seriously. I would say to him, in the words of Clemenceau, "Pour commencer, il faut commencer." In the last 12 months since the Fontainebleau summit there has been a sea change in Community affairs. I say this with some pride because it has a great deal to do with the leadership that Britain has given. At Fontainebleau, the long, enervating struggle for budgetary reform came to an end. The policy was established of budgetary discipline through agreed financial guidelines. From the not very easy position of demanding difficult and unpopular reform the United Kingdom has moved smoothly and far from unnoticed to a position of constructive leadership in Community affairs. Our hands are at last off the brake and on to the steering wheel.

Mr. Forth: My hon. Friend has just touched upon one of the keystones of the Government's policy: his claim that budgetary discipline has been introduced. Will he tell us in what respect discipline can exist when the very document that purports to bring that discipline into existence includes explicit references to exceptional circumstances, aberrant developments and changes in the reference framework, all of which appear to allow for the complete breaking of any discipline that we may have hoped to introduce into the budgetary procedures?

Mr. Renton: I am sure that my hon. Friend will catch your eye, Mr. Speaker, next Tuesday in the debate on own resources. I am sorry that he did not catch your eye this afternoon.

The process began at Fontainebleau — [HON. MEMBERS: "What is the answer?"] I shall not become involved in next Tuesday's debate tonight, unlike my hon. Friend.

Mr. Speaker: Order. I am afraid that I cannot guarantee that!

Mr. Renton: The change began at Fontainebleau and developed through the Dooge committee. I should like to join in the tribute paid by my right hon. Friend the Member for Guildford (Mr. Howell) and other hon. Members to the work of my hon. Friend the Member for Edinburgh, Pentlands (Mr. Rifkind) in the Dooge committee. I know that his thinking on the internal market was very much reflected in the final report.

Mr. Marlow: Will my hon. Friend give way?

Mr. Renton: I should like to make some progress and then I shall give way.

The steps that have been taken during the past few months have embodied British ideas, initiatives, modifications and improvements that have increasingly met with the approval of other Governments. These are, in effect, the means towards completing the internal market, towards quicker firmer decision-taking to bring it about, towards closer political co-operation in dealing with the world at large and towards a more efficient, institutional balance, thereby building a more coherent and successful European partnership in which, as the hon. Member for Hamilton said, more employment in the Common Market would be a main objective.

Cultural co-operation and frontier control are two issues that arise from the documents. One of the documents that the Scrutiny Committee recommended for consideration was "Strengthening of Community Action in the Cultural Sector". It is essential to avoid stifling creative expression by bureaucratic controls, whether they be national or Community. Culture is not strengthened by organising it —I note the comments of my hon. Friend the Member for Welwyn Hatfield (Mr. Murphy) on caution and circumspection—hence the independence that we allow our cultural institutions. Nevertheless, we believe that there is a case for greater co-operation on cultural questions in the Community, provided it does not cut across activities in the Council of Europe.

Our approach, therefore, is to encourage co-operation between Community cultural bodies where this will be productive and, on occasions, between Community Governments. I remind the House of the CSCE cultural forum in Budapest on which there has been close co-operation between member states.

We believe that it is right to encourage our partners to think of the European Foundation as the right body to take on cultural tasks. What of Labour's cultural policy for Europe? The last we heard was from the Leader of the Opposition who proposed shipping the Elgin Marbles around the world from country to country as a kind of travelling Acropolis. Has the right hon. Gentleman developed these exciting plans any further?

Mr. Buchan: As the person who gave the pledge that we will return the Elgin Marbles, I repeat it—we will return the Elgin Marbles. Does the hon. Gentleman agree with the cultural commissioner, Carlo Ripa di Meana? Does the hon. Gentleman know what I am talking about? If not, will he not be quite so clever?

Mr. Renton: We must treat this matter with considerable circumspection. We believe in the independence of our cultural institutions. This is an area in which the Community is advised to move circumspectly and cautiously. I am pleased to hear the hon. Member for Carrick, Cumnock and Doon Valley say "Hear, hear".

The House must consider two documents on frontier controls in the European Community. I remind the House that, when Ernest Bevin was asked about his foreign policy aim, he said that it was "To go down to Victoria station, get a railway ticket and go where the hell I like without a passport or anything else." I have a lot of sympathy with this point of view, which corresponds to the strong feeling of ordinary men and women who travel abroad in their millions, many of them bound for destinations in the Community. The reduction of frontier controls is part of the drive to which we have given priority to make a reality of the Common Market by doing away with unnecessary bureaucratic controls at Community frontiers.

I had talks on 4 June with my French opposite number, M. Baylet, about improving the arrangements for excursionists going to France, but we have to recognise that Ernie Bevin's vision will not be realised overnight. As the people's Europe committee pointed out, there are differences between land frontiers on the one hand and sea and air entry points on the other. The United Kingdom for example is able, for geographical reasons, to rely on controls on the frontier instead of internal controls.

Moreover, it is vital that freer movement across the frontiers should not weaken defences against drug trafficking, terrorism or illegal immigration. Recent events have demonstrated yet again how important it is not to drop our guard against terrorism.

Therefore, the answer for us is clearly that we have to consider how to work with our partners to find ways and means of allowing bona fide travellers and goods to cross inter-Community frontiers with a minimum of dislocation and delay. If this movement is to make progress, we shall have to think in terms of strengthening the Community's external frontiers. The answer is to keep track of terrorists and drug smugglers not only out of the United Kingdom but out of the European Community as well.

Mr. Marlow: My hon. Friend the Member for Mid-Worcestershire (Mr. Forth) asked a question about financial discipline, as my hon. Friend the Under-Secretary had said that this was operating. My hon. Friend the Member for Mid-Worcestershire then proved that financial discipline was not operating in the Community. My right hon. Friend the Minister of Agriculture, Fisheries and Food gave me an answer today saying that agricultural spending this year is budgeted to be 9 per cent. greater than it was last year and, as we all know, the budget will be exceeded by a good 10 per cent. Can my hon. Friend tell us exactly how financial discipline is operating, because the House is waiting with bated breath?

Mr. Renton: I regret that I gave way to my hon. Friend. I shall now deal with some of the other points raised in debate. My hon. Friend will have his opportunity to speak on Tuesday, if he catches your eye, Mr. Speaker, and will be able to discuss own resources.

My right hon. Friend the Member for Guildford, in a thoughtful and well-informed speech, spoke of the EMS. We have an open mind on it. We have considered it carefully and we are still ready to consider joining it when the time is right. However, with regard to his remarks about the governor of the Bundesbank welcoming us, I should point out that we have had fewer restrictions than many other western European countries, including the federal reserve, on the use of ecus and the holding of ecus in our country. This has been a progressive step forward for us.

I join others in congratulating the hon. Member for Inverness, Nairn and Lochaber (Sir R. Johnston) on his recent award. He spoke about decision-taking, a subject also touched on by the hon. Member for Walthamstow (Mr. Deakins). I shall briefly sum up the position of the Government and the Secretary of State. While accepting the continuing principle of the national veto, we wish to see use of the possibilities under the existing treaty, first to make more use of majority voting, which can be used under the existing treaty. Secondly we wish to use the abstention procedure so that decisions are not prevented where the treaty requires unanimity. Thirdly, we agreed that where the European Council decides on a specific objective, member states should not use unanimity procedures to prevent implementation. Lastly, we agreed to seek agreement where member states ask that the voting be postponed because of an important national interest that they will explain formally to the Council. Against that background, our proposals will be considered at the European Council next week.

Sir Russell Johnston *rose*——

Mr. Renton: I ask the hon. Gentleman to forgive me, but I cannot give way as I wish to make progress.

My hon. Friend the Member for Reigate (Mr. Gardiner) spoke well on the attention that should be given to employment and the development of high-tech within the Community. I wholeheartedly agree, and it is remarkable that 15 million new jobs have been created in the United States over the past 10 years, whereas no net new jobs have been created in the Community. It is for that reason that I have already called attention to the importance the March Council attached to unemployment within the Community.

On high technology as well it is clear that if a technological Community is to develop we have to change from being so dependent on the United States and on Japan for our supply of computer equipment and electrical goods. These are all problems that will be at the forefront in considering the French suggestion of EUREKA.

I must come back to the question of Mrs. Castle, of whom the hon. Member for Cynon Valley (Mrs. Clwyd) spoke so warmly. Although I am sorry Mrs. Castle lost her job in the European Parliament, I do not think that we should have too much sympathy for her, bearing in mind that it was she who led the walk-out of the Labour MEPs during President Reagan's speech—*[Interruption]*—in celebration of the 40th anniversary of VE day and thus caused us shame in front of that entire nation on which we most depend as our strongest NATO ally in the defence of western Europe. I heard cries of "That hooligan". Who has appeared to a greater extent as the political hooligan of western Europe than Les Huckfield who produced a hooter to drown the debate in the European Parliament, thus causing the sitting to be suspended? I wait for any comment from the Opposition Front Bench or from the Leader of the Opposition on the new leadership of the Labour party delegation to the European Parliament. The

new leader is Mr. Lomas, a member of the World Peace Council, a body in which the hon. Member for Oldham, Central and Royton (Mr. Lamond) is so active.

Mr. Foulkes: On a point of order, Mr. Speaker. Is it in order for the Minister at this late stage to enter into a personal attack on a Member of the European Parliament in such a disgraceful way? Does this not indicate that he is totally incapable of answering the debate properly?

Mr. Speaker: Every hon. Member and every Minister makes his own speech and must justify it.

Mr. Buchan: On a point of order, Mr. Speaker. This is the general rule of the House. When the last two minutes of a debate are taken to make this kind of attack, unless we get an opportunity to reply, it is a disgrace to the rules and traditions of the House. The Minister should withdraw his remarks now.

Mr. Renton: Methinks the hon. Gentlemen doth protest too much. They know very well that Mr. Lomas is dignified by one thing only, that he has reasserted his party's belief that the Community is no place for this country. Is that the view of Opposition Members? That is what we should have a statement on from the Labour Front Bench.

We in Britain are now leading our partners in the European Community. We should continue to do this as we settle into this new but not unnatural role. We have come far. It is a long time since Ministers from the Labour party returned from Community Council meetings in Brussels boasting about how they had held up the Community's business. May that time never return.

British ingenuity is not to be used to frustrate European progress but rather to guide the 12 in the direction that we all wish for common prosperity, security and liberty. Now there is a will to turn words into deeds. The Government look for action in Milan. We want action now. We hope others will follow.

Amendment agreed to.

Main Question, as amended, agreed to.

Resolved,

That this House calls on the Government to ensure that proper control is exercised over the Common Agricultural Policy; expects the Government to take all possible steps to ensure that expenditure is made subject to effective limits and urges the Government to use the British veto as necessary to protect very important national interests; urges the Government to ensure that areas in Britain with special needs receive a proper share of the regional aid budget; believes that the European Council should be fully engaged in planning jobs and giving particular attention to youth employment and should not dilute its energies by focusing on less important goals; urges the European Council to cut the burden of bureaucracy and to reduce the number of Community rules and regulations; and urges the Government to resist any proposals to dismantle border controls which would interfere with its ability to combat terrorism and drug trafficking.

STATUTORY INSTRUMENTS, &c.

Motion made, and Question put forthwith pursuant to Standing Order No. 79(5) (Standing Committees on Statutory Instruments, &c.).

VALUE ADDED TAX

That the Value Added Tax (Hiring of Goods) Order 1985 (S.I., 1985, No. 799), dated 22nd May 1985, a copy of which was laid before this House on 23rd May, be approved.—*[Mr. Major.]*

Question agreed to.

Bangladesh (Cyclone Disaster)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Major.]*

10.1 pm

Mr. Frank Dobson (Holborn and St. Pancras): Last week we debated overseas aid when, naturally, the speeches concentrated on the desperate plight of those living in sub-saharan Africa. No part of the debate was, therefore, devoted in any substantial way to the recent cyclone disaster in Bangladesh.

That disaster has been important not only for the people of Bangladesh but for our Bangladeshi community in Britain, particularly in London and in the constituencies of my hon. Friends the Members for Bow and Poplar (Mr. Mikardo) and for Bradford, West (Mr. Madden) and my right hon. Friend the Member for Bethnal Green and Stepney (Mr. Shore). The recent cyclone was a reminder of the vulnerability of the people who live on the Ganges delta or the edge of the bay of Bengal, whichever way one likes to describe the area.

The people there live on one of the ultimate frontiers of the world. It is a frontier between land and water, between humanity and nature and between life and death. They live a tenuous existence. They are dependent upon the abundant water there for their transport and for much of their food, and they spend much effort trying to reclaim land from the sea.

But because they have not received sufficient support from the wealthy nations of the world for their efforts to regain land from the sea, whenever a cyclone occurs the sea reclaims the land again and death and destruction ensue.

In the long-term we must give more aid, financial and practical, to Bangladesh to try to make sure that the cyclones, which we cannot stop, do not cause the death and destruction which work on the delta would stop.

The cuts in aid to Bangladesh made by the Conservatives since 1979 are a standing disgrace. In 1979, we gave £33 million, and that was not enough. In 1984, we gave, in real terms, only £33 million. To put it another way, at today's prices, the cuts which the Conservatives have imposed on aid to Bangladesh since 1979 have deprived that country of £88 million. We are one of the richest societies the world has ever known. Bangladesh is one of the most impoverished. Yet our Government's ludicrous priorities have deprived that poor society of £88 million.

Much of the aid that has been given has been misdirected and not well spent by the British Government. Large amounts of it have been spent on tea gardens, for the benefit of the owners of those tea gardens and, possibly, for tea drinkers in the developed world. That money has certainly not benefited the people working on the tea plantations. They and their families have got nothing out of the aid.

Another substantial amount of the aid was poured into an electricity scheme in Dacca, the principal product of which was an improvement in the reliability of air conditioning in the luxurious housing in the Gulshon part of Dacca, scarcely a sensible priority for British aid, particularly when that aid was being cut.

What is necessary for the people who live in the islands of the delta is to make them more safe, to undertake massive works of civil engineering such as those being

[Mr. Frank Dobson]

carried out now by the Dutch Government with the intention of making those islands as safe as is humanly possible and to make sure that the benefits flow, not to the rich and powerful or to people in the Bangladesh army, but to the landless people of the gulf.

The Dutch Government have displayed all the knowledge and skill that one would expect of a nation which itself has reclaimed vast tracts of land from the sea and made the country safe from its incursions. But the Dutch Government have also displayed a vast commitment to do something positive for the poorest and most vulnerable people in Bangladesh. We must try to ensure that our Government and other Governments of rich countries show a similar commitment, or in a few years we shall be debating another cyclone disaster affecting perhaps another 50,000 or 100,000 people of Bangladesh.

Bangladesh needs immediate help. It needs, above all, flat-bottomed boats, helicopters, vessels for keeping clean water and radios. They are not particularly sophisticated needs. The Bangladesh Government have recently repeated their request to the whole world for flat-bottomed sea-going motor craft, as they describe them. We as a military power have an abundance of such vessels. Indeed, in 1970, as has been pointed out in recent recruitment advertisements, the Royal Marines were in action in Bangladesh after the cyclone using flat-bottomed vessels to help to rescue people and to move food and medical supplies from one island to another.

Why are we not doing it now? It would provide practical training for the marines in landing, which is something that they need to practise because of what they are there for. It would be good training for them and it would be useful work for the people of Bangladesh. We want to know tonight whether the British Government have even considered this and, if they have not, why they have not. It is not as though we do not pour military aid into Bangladesh; we do—to support the regime and to finance an army whose only possible purpose can be to police Bangladesh, because it would not last five hours against the military might of India and there is no one else to threaten Bangladesh. So, if we can give military aid consistently to sustain the undemocratic Government of Bangladesh in power, surely we ought to be able to give some immediate aid by using military means that would help to sustain the people of the Bay of Bengal in their greatest need.

Recently we have heard of new flooding, not in the ultimate reaches of the delta, but in the northern part of Bangladesh, in Sylhet, whence most Bangladeshi people in Britain originally hailed. We have also heard that the supply links in the cyclone-affected area are showing great strain and that further help is needed. So what the Bangladesh Government and people need now is more practical help and more financial help.

I am not criticising the contribution that the British Government have made to the Brussels football disaster fund; I think it was appropriate for Britain to give £250,000. But that disaster involved the death of just 38 Europeans. That works out at a British contribution of roughly £6,500 per life lost in the Brussels football disaster.

To date, the Government have given only £750,000 towards the fund for the Bangladesh cyclone disaster in which it is estimated 50,000 Bangladeshis died. That works out at just £15 per life lost in the natural disaster. The Bangladeshi community represented by my right hon. Friend the Member for Bethnal Green and Stepney and by my hon. Friend the Member for Bradford, West, who are both present, have noted the discrepancy, more in sorrow than in anger. We must do something to right that contrast. It is a wicked contrast, and it appears to be a racist response.

We owe it not just to the people in the cyclone disaster affected area but to the Bangladeshi community in Britain to share its anxiety. It is part of our community. A caring community cares about the anxieties of everyone. Their worries about their relatives and former compatriots in Bangladesh must be ours. We must give practical help because that is how proper interest manifests itself.

Practical help must be given by the British Government because all over Britain, wherever there is a Bangladeshi community—it being a practical purposeful community —its members are clubbing together to establish funds. In my constituency and in Tower Hamlets, part of the Bangladeshi community has arranged an appeal with War on Want. Separately, the Bengali Workers Action Group has set up an appeal. It is an example of self-help that one would expect to commend itself to Conservative Members.

Those spontaneous efforts and the support that I am glad to say they are receiving from other people living in those areas is not being matched by a commitment from the Government to provide the immediate practical help or substantial financial help which is needed at the moment. We need that commitment. Beyond that, we need a much longer term commitment to ensure that we make a proper contribution in the future towards making life safe, decent and sustainable on those extremely vulnerable islands in the delta.

We should urge the two great nuclear, potentially warring, powers to take their duties seriously. In their separate ways, the United States and the Soviet Union devote thousands of millions of pounds every year to developing further their capacity to destroy each other and all of us.

The people at the Geneva talks should bear in mind, each time they talk about the possibility of doing something to reduce the threat of nuclear war, that there is a positive side to that. If they were to divert to peaceful, sensible purposes, I should not object to them competing. I am sure that the people of Bangladesh would not object to the Soviet Union and the United States competing to carry out the enormous works necessary to make those islands in the Ganges delta safe, prosperous, fertile and somewhere for people to earn a decent living. That would be a sensible objective for the world; it would be a sensible objective for those two major powers.

We need a lead from Britain because of our colonial links with Bengal, in which you, Mr. Speaker, played a prominent and honourable part. I hope, therefore, that the Government will show some initiative, some commitment, and will try to set the remainder of the developed and wealthy world doing something to make Bangladesh a better and more prosperous place.

10.15 pm

Mr. Max Madden (Bradford, West): I congratulate my hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson) on securing this debate. I thank him for allowing me to make a brief intervention.

I wrote to the Prime Minister on 28 May about Bangladesh, and received a reply on 17 June. I raised three issues, and in her reply she said:

"You suggested that women and children in Bangladesh who have applied to join their husbands and fathers in the UK should be allowed to enter the country immediately. As you know, in the Sub Continent, where there are immigration queues, we operate a priority category for all compassionate and exceptional cases. There is also provision within the current Immigration Rules for children to be admitted to this country in exceptional circumstances. Individuals who are the victims of this tragedy and who seek priority or exceptional treatment will of course have their cases considered quickly and sympathetically."

I should like to know what arrangements have been made to make that position widely known in Bangladesh.

Secondly, I pointed to an article in *The Observer* which alleged that British aid was being withheld because of reservations about the population programme within Bangladesh. I was told that meetings were taking place in the hope of resolving those difficulties, and I should like to know what progress has been made.

Thirdly, the Prime Minister said:

"you ask that the British aid programme to Bangladesh should be reviewed urgently. It is, as you point out, one of the poorest countries in the world, and this is reflected in our programme, which has recently been increasing substantially. In financial year 1983/84, expenditure on our aid programme to Bangladesh was some £27 million. In 1984/85, the figure exceeded £32 million. We expect there to be a further substantial increase this year."

I should like the Minister to tell us what that "substantial increase" will be.

Bradford city council has contributed £15,000 to the Bangladesh disaster fund. On Saturday night I attended a concert organised by the Bradford Sikh parents' association, which contributed £300 to the Bangladesh appeal and £300 to the Bradford disaster appeal. On Saturday morning I shall be attending the presentation of a cheque for £3,000 by another Bangladesh organisation in Bradford for the relief of the Bangladesh disaster.

I wholly support what my hon. Friend said about the disgraceful response of Britain to the disaster. In Bradford alone, a very substantial amount of money has been raised. We heard tonight that other Bangladesh communities and other groups in Britain are contributing generously to the disaster appeal. I very much hope that the Minister will say that Britain will make a further contribution because I rebut what the Prime Minister said in concluding her letter:

"We have thus made a total of £750,000 available for relief and rehabilitation programmes. This represents a very substantial response to this tragic event, for which President Ershad has expressed his deep gratitude."

I do not believe that he should be expressing his gratitude; he should be making urgent demands for more help from Britain. I hope very much that the Minister will indicate when that help will be forthcoming.

10.18 pm

Mr. Peter Shore (Bethnal Green and Stepney): I intervene briefly, not just as a constituency Member representing a very large number of Bengalis in Tower Hamlets, but as chairman of the all-party parliamentary group on Bangladesh.

I strongly endorse what my hon. Friends the Members for Holborn and St. Pancras (Mr. Dobson) and for Bradford, West (Mr. Madden) have said. I urge the Government to make a far more speedy and generous response to the cyclone disaster that has hit Bangladesh so recently. It is difficult for us to imagine the effect of 10 ft or 15 ft waves striking low-lying coastal areas and swamping whole islands in the Ganges delta and beyond, but we know that the effects are appalling—11,000 is the minimum figure for the number of people who have died and hundreds of thousands have lost their livelihood, their cattle and their homes.

We must consider not just what can be done now to provide immediate help—I believe that we could do very much more than the offer of £750,000 so far—but what can be done for the future. Cyclones in the bay of Bengal will not stop happening. This is the sixteenth in about 15 years. We must help the Bengali Government to plan coastal defences, irrigation and land reclamation works which would make the millions of people living in the coastal regions of Bangladesh far safer in the future.

I hope that the Minister will have something encouraging to say today, not just about the response to General Ershad's appeal for $50 million of emergency aid but about the longer-term plans that are needed to make the coastal areas of Bangladesh much safer then they now are.

10.20 pm

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Tim Renton): I welcome this opportunity to discuss the recent cyclone in Bangladesh, but I confess that I was a little surprised at the interventions of the right hon. Member for Bethnal Green and Stepney (Mr. Shore) and the hon. Member for Bradford, West (Mr. Madden) as I thought that it was common practice in the House for other Members wishing to speak in an Adjournment debate to tell the Minister replying to the debate of their intention and I was not told of any such intention by either Member today. As I have only a few minutes left, if I cannot answer the detailed questions raised in the debate I hope that right hon. and hon. Members will write to me or to my right hon. Friend the Minister for Overseas Development so that detailed answers can be given.

I had the good fortune to visit Bangladesh in January at the invitation of the Government there. I could not fail to be impressed by that country's achievements, notably in agriculture, but also, I must admit, by the poverty of its people. Despite its encouraging performances in recent years the economy will remain fragile for the foreseeable future, with the prospects of development balanced on a knife edge which can be easily upset by a single catastrophic event.

It seemed as though such an event might have occurred in the second part of 1984 when there was a series of floods of a severity comparable to that of the floods of 1974. As I was reminded during my visit in January, natural disasters are—alas—a way of life, and the House needs no reminding of the famine that ensued more than a decade ago. In 1984, however, things were different. The Government of Bangladesh reacted quickly, especially in buying and distributing grain, and tragedy was averted. The ability of the Government of Bangladesh to respond to a crisis and the resilience of its people was to be tested again all too soon in the disaster that we are discussing today.

I confess that I was surprised at the comment of the hon. Member for Bradford, West—if the hon. Gentleman will listen he will hear my answer to what he said—that the British Government's response was disgraceful. I wholly disagree with that and I have heard no such comment from any member of the Bangladesh

[Mr. Tim Renton]

Government or the high commission in London. I think that the hon. Gentleman may wish to think twice about that remark and to withdraw it.

Mr. Madden: Certainly not.

Mr. Renton: After the cyclone struck, an immediate response was required and an immediate response was made. My right hon. Friend the Prime Minister sent a message of sympathy and support to President Ershad and £50,000 was made available immediately to the Government of Bangladesh relief fund. That was quickly followed on 31 May by further announcements by my right hon. Friend the Minister for Overseas Development. First, a pledge was announced of £200,000 for immediate disaster relief, the bulk of which was to be channelled through British voluntary agencies active in the area. Secondly, there was a pledge of £500,000 for long-term rehabilitation—again to be channelled through British non-governmental organisations. Those measures have been warmly welcomed by the Bangladesh high commissioner.

The hon. Member for Holborn and St. Pancras (Mr. Dobson) asked particularly about the provision of landing craft or water craft. We considered whether there were any suitably equipped Royal Navy vessels in the area which could have provided immediate assistance, but there were none. We have said that we will make flat-bottomed boats being used in another United Kingdom-financed project to the west of the cyclone area available if required, but we must be aware of duplicating what other donors are doing. We had been asked to provide outboard motors, but we understand from the Bangladesh high commission in London that that requirement is now being met by the Canadian Government.

The hon. Gentleman talked of matching commitment. I do not follow what he meant. Our aid programme to Bangladesh is large—it was £32 million in 1984-85 and is increasing. The quality of our aid is also important. All of our assistance to Bangladesh is on grant terms and we are able to meet up to 50 per cent. of local costs. We do not have detailed information, but our impression is that our response compares very favourably with that of other major donors. We understand that the United States has given $0·6 million, that Canada has given $0·2 million and that the Germans have also made a contribution. I do not understand what point the hon. Gentleman wishes to develop.

Mr. Dobson: I am suggesting that, in terms of emergency aid, it would be reasonable for the Government to match the voluntary efforts of the Bangladesh community in Britain.

Mr. Renton: The hon. Gentleman knows full well that we have gone out of our way to encourage the development of voluntary aid through groups such as Oxfam. That is especially the case with the disaster in Ethiopia and the rest of sub-Saharan Africa. What the Government can do must be within the context of the overall aid programme. The choice of words of the hon. Members for Holborn and St. Pancras and for Bradford, West was unfortuate and unfair in terms of the quick reaction and the money that had been dedicated.

We understand that a group of the main British voluntary agencies launched an appeal on 31 May which has already raised substantial sums of money, much of which will be used to complement schemes for which we shall provide funds. The agencies have warmly welcomed our response and concur strongly with our view that the emphasis must now be on rehabilitation.

The Government of Bangladesh value our programme because of its quantity and its quality. They have shown themselves increasingly willing to get to grips with longer-term problems such as landlessness and the relentless population pressure. The dangers of the growing population were made clear to me in January. Both of those factors explain why the islands that were directly affected by the cyclone were so heavily populated when the dangers must have been obvious. We shall do what we can to support the efforts of the voluntary organisations.

With several other donors, including the World Bank, we are planning to participate in a large population and health care project in support of a major Government programme. Several of the projects in which we are involved, such as rural development and fisheries, have as one of their key objectives the provision of more income—earning opportunities for the landless. As part of our response to last year's flooding, we agreed to make £4 million available for the purchase of British wheat to be used in support of vulnerable group feeding programmes.

Although I disagreed with the tenor of some of his remarks, I should like to thank the hon. Member for Holborn and St. Pancras for giving us the opportunity to discuss this important topic. If, in the time available, I have not answered the questions that he and his right hon. and hon. Friends have asked, I hope that they will write with details to my right hon. Friend the Minister for Overseas Development or to me. Bangladesh will remain dependent on substantial inflows of aid for a long time to support its economic development. I am sure that we all agree that a country that is so susceptible to natural disaster will also rely on donors responding quickly to crises such as the recent cyclone.

Our record is good. The Government of Bangladesh share that belief. I assure the hon. Member for Holborn and St. Pancras that the Government of Bangladesh can rely on our continued support.

Question put and agreed to.

Adjourned accordingly at half-past Ten o'clock.

House of Commons

Friday 21 June 1985

The House met at half-past Nine o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Small Firms

Motion made, and Question proposed That this House do now adjourn.—*[Mr. Mather.]*

9.34 am

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. David Trippier): I welcome this debate without reservation, as it provides the House with an opportunity to discuss a matter of national importance. The part that small firms play in the economy is vital to the future prosperity of this nation. It is a mark of the importance that the Government attach to the small firms sector that this debate is taking place in Government time.

I am only sorry that I shall not be able to attend all the debate. I have a small business matter of my own to attend —the christening of my son in the Crypt. It is ironic that I was standing in this very spot when he was born, as you will recall, Mr. Speaker. While I am keen to create employment in all sectors, I have no wish to provide additional business for the divorce lawyers, which I undoubtedly would if I were to miss his christening. I hope that the House will understand if I slip out for part of the debate.

The Conservative party is well aware of the crucial role that small firms play in the economy of our society. Above all, we recognise that small firms provide the seed corn of future employment. It is a fact that between 1971 and 1981, nearly one third of the jobs created in the private sector were with firms with 20 or fewer employees. What has been termed the fertility ratio of jobs generated to employment share suggests with some consistency that the smaller the firm, the greater its potential to create jobs.

We have also witnessed an enormous surge in self-employment, which is now standing at 10 per cent. of the employed labour force—the highest level for over 60 years. The American experience over the past few years also shows that small firms are at the forefront, and in that country they have provided two out of every three workers with their first jobs. It is indisputable therefore that in creating employment all the evidence points towards the vital importance of small firms in the creation of jobs. Nevertheless, I am conscious that we still need better information in this sector.

My difficulty is that I am also anxious not to add to the burdens of small business men by asking them to fill in more forms to get such information. Therefore, I have decided on two initiatives. First, I have recently asked for an urgent and detailed examination to be made of all existing official information. Secondly, information collected commercially for credit rating purposes has been used to establish the job-creation potential to which I have referred.

Given this potential for the creation of jobs, I am delighted to tell the House that the figures for the start-ups of small firms remain encouraging. Whereas they were running at some 160,000 a year in the early 1980s, there is evidence that the rate has now increased to some 180,000. At the same time, the figure for closures has remained at an annual level of around 140,000. Shortly I shall refer to some of the measures that we are taking which are aimed at helping existing small firms to survive, and indeed thrive.

However, the point that I wish to stress is that overall there has been an impressive and rising surplus in start-ups over stops since 1980. The stock of businesses has increased by some 140,000 since 1980, and all the signs are that the small firms sector will continue to expand. This will create a wider and more stable industrial base, a welcome change from the past when it was the fashion to concentrate too much—some would say overmuch—on large firms and thus rely on too narrow a base for creating employment and wealth.

Because many small firms have the advantage of flexibility over their larger counterparts, this also means a more flexible and adaptable industrial base. These advantages mean that it is usually the small company sector that provides the breeding ground for the entrepreneurial talents that we need — the talents to innovate and create not just products but whole new industries upon which nations depend for their industrial rejuvenation.

Therefore, it is clear that if we neglect our small firms sector, we also neglect our future and are more than likely to suffer a fate that is the industrial equivalent of the fall of the Roman empire. On the other hand, if we nourish and allow the sector to realise its full potential, we shall not only enjoy a higher standard of living throughout our lifetime but will provide future generations with the investment that they need to do the same.

This Government have made it clear that they will assist in the laying of the foundations for that future. They demonstrate that commitment quite simply by having a Minister with special responsibility for small firms, an appointment which I am proud to hold. My role has been reinforced by the support I enjoy from my right hon. Friend the Secretary of State for Trade and Industry and the welcome appointment of my right hon. and noble Friend the Minister without Portfolio, Lord Young of Graffham, who among his many responsibilities concentrates a significant proportion of his time on small firms. There can be no doubt that this Government have also demonstrated their commitment in practical terms by doing more than any other previous Government to help small businesses.

While these facts are not open to dispute, it would be an utter falsehood to suggest that we are now content to rest on our laurels. While our policies are beginning to pay off, there is still much to be done. Of course it is unrealistic to expect an overnight transformation in the fortunes of the small business sector, when for too long that sector has been depressed to the extent that the entrepreneur was rapidly becoming an extinct species in the United Kingdom. Considering the gloom-laden, state-regimented economy left by our predecessors, it is no mean task to create a society where enterprise and initiative are admired and in which people are willing to take risks. I believe it

[Mr. David Trippier]

is to the great credit of this Government that we are succeeding in changing the attitudes of business men and the attitude of the public towards business.

Mr. Clive Soley (Hammersmith): The Under-Secretary of State is being extraordinarily glib and foolish. The rate of bankruptcies and compulsory liquidations under this Government is higher than ever before and mainly affects small firms.

Mr. Trippier: The hon. Gentleman may have missed what I said earlier. The important point is the number of start-ups and the difference between the number of start-ups and stops. The surplus, to which I referred earlier, is the most important figure. The net increase—births over deaths—is the highest ever on record.

I sense from the considerable feedback I get from the small business community that there is a much greater willingness to take the risk of starting or expanding a business and a much greater awareness that the responsibility for success or failure lies in the hands of the small business man himself.

We have an enormous problem. There are still too many people in this country who disparage wealth creation and enterprise, who regard profit as a dirty word. If we are truly to succeed, then we need to create an enterprise culture where business is respected and admired, because it is business that creates the wealth to pay for the amenities and services we expect.

I was therefore heartened by the words of the right hon. and learned Member for Monklands, East (Mr. Smith) who said earlier this year that he "believed in wealth creation". Unfortunately, the right hon. and learned Gentleman's deeds as always fail to match his words. Does he really believe in the Labour Party's propaganda that the imposition of penal taxation on all those earning more than £20,000 a year will assist in the creation of wealth, or that the answer lies in a massive expansion of the public sector? Does that create wealth? If he believes that, he has never listened to anyone who actually has to run a business. For if industry and commerce are to flourish, it means creating a climate in which people can compete and have the necessary incentives to do so. It means supporting the abolition of price controls, pay controls, dividend controls and exchange controls to help create a society based on initiative where rewards are commensurate with risks.

It also means supporting our fight against inflation and it means striving to reduce taxation so that enterprise receives its fair reward. Under this Government, the tax regime for small businesses has been transformed. Corporation tax has been reduced to 30 per cent. for small companies. The abolition of the national insurance surcharge has been welcomed by businesses, both small and large, and the changes to employers' national insurance contributions announced in this year's Budget will also help small business men to take on additional employees. I was particularly pleased that the restructuring of national insurance contributions reduced the burden on self-employed business men. In addition, significant changes have also been made to capital gains tax and capital transfer tax to restore incentives and make it easier to pass on a business to members of a family; and more favourable tax treatment of share options for employees should enable small business men to attract high calibre executives.

The establishment of a climate conducive to enterpreneurship and business formation has been complemented by exciting developments in the financial sector. The establishment of the unlisted securities market in November 1980 has enabled small firms to raise, in some cases, quite considerable sums of money at relatively low cost. The Government have also played their part by setting up the business expansion scheme. Preliminary results for the first year of its operation indicate investment of over £100 million in some 500 small companies by more than 15,000 individuals. Investors have been prepared to take risks that they would previously have avoided; and, perhaps just as importantly, it has opened the eyes of many small business men to the benefits of raising finance through equity investment, a lesson learned long ago by the Americans. These are very significant advances, but I am keen to encourage an even greater awareness of the benefits of the BES scheme.

The development of the USM and the introduction of the BES have resulted in a rapid growth of the venture capital industry. In 1979 there were no more than 20 specialist sources of venture capital in the United Kingdom. Now there are over 100. The industry's own estimates of investment activity in small businesses in the United Kingdom show a rising trend, from around £100 million in just over 300 firms in 1982 to £200 million in well over 500 firms in 1984, and these figures exclude the efforts of ICFC Developments in over-the-counter markets have opened up yet more sources of finance for small firms. I believe that the expansion of institutional activity in this area is a welcome development. I shall naturally continue to urge institutions to maintain and increase their commitment to the small firms sector. Investment, of course, is not just a matter for the City. I am encouraged that several BES funds have been set up in the provinces specifically to channel investment into good local projects.

Local enterprise agencies, professional advisers and others with local knowledge and an interest in local economic development can also help spread awareness of investment opportunities and bring investors and businesses together. Individual investors or small local groups of investors should be more involved. I believe this can be particularly useful in filling the generally recognised gap in the supply of equity capital in small amounts—say, between £15,000 and £50,000.

While developments in small firms equity markets have brought a new and exciting dimension to the small firm sector, bank lending remains the main source of finance. The loan guarantee scheme which we introduced in 1981 has not only brought much-needed finance to many small firms but has been an invaluable education to bank managers. I believe that as a result of the scheme the need to appraise and monitor projects carefully is more widely appreciated by the banking sector.

If we are to succeed in creating an enterprise culture, its encourgement should come from the education as well as the financial system. It is no accident that whoever is the Minister for small firms is also the Minister with special responsibility for industry and education links. I believe that young people should gain a much fuller understanding of the value of commerce and industry while they are still at school. This is not in conflict with

any educational ideas but is fully consistent with the needs of education to prepare young people for life in all its many facets. This must be the ultimate in practical education.

My Department has been involved in promoting links between industry and education for a number of years, but we hope during 1986—the year that has been designated as Industry Year by the Royal Society of Arts—to make a significant contribution towards promoting an enterprise culture. That is why we have set ourselves the target of encouraging every secondary school to run some form of mini-enterprise activity. Our target is only one of a range of activities which will take place during Industry Year to bring schools and industry closer together. If all our young people could have some practical experience of commerce, even in a very simple and uncomplicated way, before they leave school, they may be in a better position to think about starting up small firms or going into self-employment, not as a last resort but because it can be exiting, challenging and rewarding.

Mr. John Powley (Norwich, South): My hon. friend may recall that I recently reminded the Secretary of State for Education and Science that there was great benefit to gain in terms of employment opportunities if we could educate the teaching profession, in particular careers masters, at every school in the nation, in the ways of the entrepreneur and the small business man and about the way in which small businesses were started. I pointed out that it was their responsibility to educate children as they approached school leaving age into the opportunities that were available if only the youngsters were given the right type of education.

Mr. Trippier: I agree with my hon. Friend. In the past, there have been difficulties getting messages across from the teaching profession—that has been happening on many fronts — about the importance of wealth distribution as opposed to the importance of wealth creation. I believe that the situation is better than it has been for a considerable time. I recall that when I was at school, which was not that long ago, the chap who was given the task of being careers master always seemed to be selected because he was not particularly good at games. The situation has certainly improved since then.

In Industry Year 1986 we have a golden opportunity to get those messages across. Teachers whom I met during small firms local enterprise week were, in relation to the issue of industry eduction links, positive in their approach. They may not have agreed with me politically, but they intended to do their best to produce an exciting programme for the youngsters in their charge.

We recognise that not all those in education will go straight into business or that, even if they do, they may lack the necessary skills to make the enterprise successful. Thus, the MSC's training for enterprise programme aims to increase significantly the amount of training being undertaken by those planning to go into business and those already in business who are struggling to survive.

Training can, of course, take many forms and small business men, with their limited time, can often benefit more from the increasing provision of more flexible and accessible facilities, such as the MSC's computer-based training initiative.

Others, too, are playing an important part in this sphere. They include local enterprise agencies, private training providers, local authorities and small business clubs. Distance learning courses are also increasing and my Department liaises closely with the MSC and many of the other private and public sector training providers to ensure that programmes developed for the small business man are appropriate to his needs.

The House will remember that a theme of the highly successful small firms local enterprise week 1985—apart from the point to which I referred when replying to the intervention of my hon. Friend the Member for Norwich, South (Mr. Powley)—was the encouragement of better links between training providers and the small business sector.

Anybody can style himself an entrepreneur, but not all are good business men. Vital areas of expertise for all businesses are finance and marketing. If financial control is lacking, the business can fall apart. Similarly, producing a product or service without testing whether it is what the market wants is a recipe for disaster.

The Government can help to fill those gaps in management skills. The business improvement service operating in steel, shipbuilding and textile closure areas offers 55 per cent. grants towards various consultancy costs, with particular emphasis on marketing and financial consultancy, and 70 per cent. grants for market studies. I am pleased to report that there has been an excellent take-up of those schemes.

More widely, the Government have sought to encourage the professional advisers to take particular account of small firms' needs. The greatest concentration so far has been on financial advice. We recently ran a series of seminars targeted at accountants and bank managers. Throughout, our aim has been to increase awareness among such people of the needs of small firms and to persuade the firms themselves of the value of good professional and marketing advice.

The need for greater awareness of marketing is also recognised among the many support organisations which help small firms. Marketing problems formed a significant element of the 35,000 counselling sessions provided through the small firms' counselling service last year. The recruitment of counsellors specialising in marketing is a vital element in meeting business needs in this important area.

I am also pleased to note that a number of local enterprise agencies are now running courses on marketing skills. But, although much has been done, I am the first to admit that much still needs to be done.

I have mentioned two specific areas where more attention is essential if small businesses are to succeed. In addition to those skills, small firms need a much wider range of advice. It should not always be the Government's job to provide that advice. Indeed, many new sources of advice on training are already established or becoming available. However, those sources are not always used and there is a lack of awareness both of the need and of what is available.

Perhaps the best known source of advice available to the small business man is the Department of Trade and Industry's small firms service. That provides a nationwide network of centres, the services of which range from dealing with relatively simple requests for advice to providing full counselling services. The Department's small firms service has successfully increased the number of business counselling sessions by a further 20 per cent. This is no mean achievement in our efforts to fill gaps in management skills.

[Mr. Trippier]

In the last three years, there has also been a remarkable growth in the number of local enterprise agencies, and the small firms service has adapted its role to work with those agencies. The number of local enterprise agencies has grown from about 50 three years ago to 266 today. With others in the pipeline, I fully expect to hit the target—which I set when I came to office—of 300 later this year.

Local enterprise agencies play a vital role by bringing together private sector sponsors in particular communities with the aim of stimulating and improving local economic activity and growth. Agencies may receive central and local government support, but their real roots lie with their private sector sponsorship. That also gives them strength in that they are truly local in nature, and they can mobilise various sources of support for small firms in the community, using local knowledge and expertise.

Mr. Michael Marshall (Arundel): The Minister came to my constituency in February and will recall meeting representatives of the west Sussex area enterprise centre, representatives of the local business club and many small business men when he visited industrial sites and opened factories.

In his view, from going around the country, how far is the co-ordination and collaboration between such groups working? What more needs to be done, and how far does he see the local authority having a role to play in the process?

Mr. Trippier: Partnerships are springing up all over the country in the various communities, concentrating on the importance of helping small firms at the local level. I was extremely impressed with what my hon. Friend showed me when I visited his constituency.

Many small business clubs have been started by local enterprise agencies and it is well known in the part of the world that my hon. Friend represents that the local enterprise agency has been an enormous success. I have said at Question Time that the loss rate among small firms that have been helped by local enterprise agencies is much lower—about 8 per cent., or one in 12—over a period of about three years, than the failure rate among other small firms—which is about one in three—over the same period. It is clear, therefore, that the hand-holding support is working. The proof of the pudding is in the eating.

I am grateful to local authorities for supporting local enterprise agencies. I am pleased to say that about half the existing local enterprise agencies are operating in areas where Socialist, Liberal or SDP councillors are in control of the local authority and that about half the authorities are Conservative controlled. That is good, because I want a bipartisan approach to be taken on this issue.

Mr. Soley: I am glad to hear that. May we have an assurance that the Minister will do everything in his power to make sure that the Greater London enterprise board continues after the demise of the GLC?

Mr. Trippier: During the last Department of Trade and Industry Question Time, I gave an assurance—although this was not a matter for my Department—that the Department of the Environment was considering that matter. The Government have no power to scrap that body or any equivalent body that is controlled by county councils outside London.

Mr. Soley: What is the hon. Gentleman going to do about it?

Mr. Stephen Ross (Isle of Wight): I am grateful to the hon. Gentleman for giving way now because he may not be in the Chamber later when I hope to catch your eye, Mr. Speaker. The hon. Gentleman has talked about the growth of enterprise agencies. My island's enterprise agency has been in existence for about four years, and the hon. Gentleman visited it a year or two ago. What hope does he hold out for the future of financing enterprise agencies from the public and private sectors? What pressure is he putting on his colleagues, particularly in the Treasury, to provide incentive schemes so that the agencies can continue to flourish?

Mr. Trippier: I was certainly impressed by the enterprise agency that I visited when I accompanied the hon. Gentleman on a visit to his constituency. I am sympathetic to his point, in that I recognise that a number of enterprise agencies are looking to the Government for a further indication of clear support. The Government give support through 100 per cent. tax relief for contributions in cash or kind to enterprise agencies. In many instances, we offer pump-priming support from our regional offices.

There is, however, one difficulty, which I am sure the hon. Member for Isle of Wight (Mr. Ross) accepts. If the Government were to come in in a big way and contribute more than 50 per cent. of the total sponsorship of an enterprise agency—I am sure that the hon. Gentleman agrees, knowing the way in which the Government work, that he who pays the piper calls the tune—we would want to control the agency. If the Government controlled the enterprise agencies, that would utterly destroy the movement and the ethos behind it. We are certainly considering the matter to which the hon. Gentleman referred.

One type of small firm that I have not yet touched on is the co-operative. Our commitment to the co-operatives, unlike that of our opponents, is not based on some sinister ideological intention. It is a recognition of the fact that co-operatives bring together the interests of those working in an enterprise with the realities of making that enterprise succeed. They also offer to those people who might never start a business on their own account a way of doing so, by allying themselves with like-minded individuals. In view of the potential that co-operatives contribute to the creation of new businesses and jobs, they are entitled to receive the same assistance that we give to small businesses generally. In addition to that assistance, the Government support co-operatives through sponsorship of the Co-operative Development Agency. Last year, legislation was enacted to provide the Co-operative Development Agency with funding for a further six years and, at the same time, to widen its functions.

There is no doubt that the CDA has made an important contribution to the notable growth of industrial co-operatives from 300 in 1981 to more than 1,000 at present. It would seem that we have done more for the co-operative movement during the past five years than the Labour party has done during the past 50 years. I am confident that, with the support we are providing, the CDA will continue to play a major role in developing the small firms sector.

On top of the activities that I have just outlined, the Government have further demonstrated their commitment to encouraging people to create their own jobs with the introduction of the enterprise allowance scheme. This scheme assists people in receipt of benefit to start up their own businesses by providing them with a weekly allowance during the first year, which helps cover that difficult time when benefit payments have ceased and the new business has not yet had time to generate a secure income. Since it was introduced less than two years ago, more than 85,000 have joined, and the strength of demand has enabled the Department of Employment to expand the scheme this year by a further 25 per cent.

The final issue that I wish to mention is public procurement. The Government spent £9·5 billion on goods and services in 1983-84. Our aim is to ensure that the barriers to small firms participating in this multi-million pound business are removed so that they can compete effectively with others. At the same time, it is important that the procurement organisation should have the best value for money. Government purchasing is a complex business. The more that can be done to clarify and simplify purchasing procedures and requirements, the greater the opportunity for small firms to compete.

We have done a lot already. For example, the financial and commercial information required from firms seeking to qualify as Government suppliers has been standardised. In addition, the need for approved status has been waived for most Government contracts up to £10,000, thus making it easier for small firms to win small orders. We must always be on the lookout to do more. I welcome the recent appointment of Mr. Mike Willacy to head the new Government central unit on purchasing which is currently being set up. The unit's objective will be to help and advise Government Departments on how to adopt a more commercial attitude to buying goods and services. I know that Mike Willacy will be as keen as I am to ensure that small firms have an equal opportunity to compete for Government contracts.

This is an important subject, and I believe that the Government have an impressive story to tell. We have not been idle on the subject of small firms, and the results prove that what we have done has been worth while. I am proud to commend the Government's record to the House.

10.5 am

Mr. Alan Williams (Swansea, West): I am sure that hon. Members well understand the reasons why the Under-Secretary of State has to leave us during the day. We wish him and his family a very happy occasion. I commiserate with him, as I am sure do all hon. Members, at his having been trapped at the Dispatch Box at the time of the birth of his child and virtually at the christening. We are delighted that at least he managed to be present on a perhaps more important occasion!

I have an interest in small firms through Job Creation, which is an organisation that I helped to establish a few years ago. My experience in learning to understand the problems of small business has been very interesting. Despite the attempt by the Under-Secretary of State to politicise the issue, I believe that there is a consensus about the desirability of stimulating more small industry. All parties, not just the major ones, agree. The Labour Government, like the present Administration, included in Cabinet a Minister with special responsibility to oversee this aspect. During the period of the Labour Government that person was Lord Lever.

The Under-Secretary of State referred to small business schemes. I remember financing experimental work in Bristol and, against advice from some sources, establishing the first experiments in building small units. Certain sources advised me that I should not do so because the units would cost 15 per cent. more per square foot to build. I felt that if they cost 15 per cent. more to build, but were let, they were probably a better investment than cheaper units that stood empty for years.

The Under-Secretary of State baited us about the Co-operative Development Agency. As he is well aware, I set up that agency, thereby fulfilling a commitment that the Labour party had made to its co-operative colleagues. We are committed to taking the process further to encourage the establishment of a network of co-operative development agencies throughout the country. We recognise the difficulties involved in funding co-operatives. The Under-Secretary of State said that all the aid that is available to small businesses is available to co-operatives. I understand what he meant, but he should bear in mind that certain schemes, such as the business expansion scheme, exclude the co-operatives because of the structure of their shareholdings, and so on. The Government have tried to fill the gap for other sectors of small industries but not for co-operatives. We want more to be done about training in this respect.

We must not lose sight of reality. No one, including the Under-Secretary of State, is suggesting that small firms will be the solution to unemployment of 3·5 million. That is not to say that small firms do not make an important and valuable contribution towards meeting the needs of the unemployed. For those who find work in a small firm, it is a 100 per cent. solution to the problem that they face. It would be ludicrous for anyone to disdain the opportunity for local generation that small firms offer.

We must bear in mind that the creation of more small businesses does not automatically mean that there will be more jobs. We tend to replace medium and larger units, which are being destroyed by the bankruptcy process that my hon. Friend the Member for Hammersmith (Mr. Soley) described, and often replace them with tiny units that offer negligible employment. Nevertheless, they are welcome.

The Minister's reference to the fall of the Roman empire when he discussed small businesses is a delightful testimony to his enthusiasm, although perhaps casting a slight doubt upon his sense of perspective. For some decades in the post-war period, we forgot the history of the development of industry. Every city had its seed-bed locality in which new industry was developed. The back streets of Birmingham became home for much of the electrical industry. We know what happened in the east end of London, Manchester and so on. During the euphoria of the post-war period of international growth, there was some profligacy in the way that we dealt with small firms.

In inner London, for the most desirable of environmental reasons—I am not criticising, as it was something that needed doing, but the consequences must be faced—we lost 45 per cent. of the jobs. That was not the result of regional or new town policy. It was the result of the innovation of the bulldozer. For perfectly acceptable and desirable social reasons, we cleared away the seed-bed areas, which were becoming living and

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industrial slums, without recognising the need to put anything in their place. No one worried about the loss of the business minnows because there was a great deal of growth elsewhere. No one was developing policies to meet the need for the easy development of new small business.

Mr. William Cash (Stafford): Does the right hon. Gentleman accept that a serious problem arose in the late 1940s under the Labour Government—I do not criticise them for this—in what the Town and Country Planning Acts tended to stifle and over-regulate? Should we not be seriously considering ways and means of enabling the areas to which the right hon. Gentleman referred to develop domestically based jobs within homes in the age of the new technologies?

Mr. Williams: I am aware of the hon. Gentleman's long interest in this matter and the proposals that he has put forward in his Bill. He has anticipated points to which I shall refer later.

I wish to refer to the "burdens" document that the Government have produced. Under the pressure of unemployment, everyone is beginning to rediscover the process of developing and stimulating new local businesses. We are beginning to realise that within any community, however small, there is a considerable capability to set up small businesses that has often been suppressed or is constrained by pressures which, with a little thought, can be fairly easily removed. The fear that he will lose everything and become bankrupt is a major constraint on someone going into business. We see that in areas of high unemployment where, in some cases, people receiving substantial redundancy payments have to decide whether to back their skill with some of their money or protect the only small nest egg that they have ever had.

The pressure not to chance one's arm and go into business on one's own is enormous. One of the greatest pressures is the property pressure. All of us who have had experience of the Government approach to that recognise that Government, constrained by the requirements of the Comptroller and Auditor General, consider property from one point of view and look for 25-year leases, with dilapidations clauses and so on. However, the type of person about whom we are talking, who wants to have a go, who has a little capital and know-how and who has a product in mind, dare not contemplate the inevitable bankruptcy that would follow from taking on property on that basis.

In recent years, the development of the easy-in, easy-out workshop contract—the successor of the old railway arch—has been evolving. It is a piece of low-value property, which meets safety requirements, that a person can use. He can enter into a commitment for perhaps only one month ahead. He can then try his own thing, see whether his product will work and whether he has a business without risking his family prospects. The same applies to finance. The only capital of such an individual in most cases is his skill, his know-how and his idea for a product. He has no idea how to produce a business plan. He probably does not know that such a thing exists. That is not his fault. People made redundant have often been employed in big firms doing little jobs. By that I mean in perspective, in terms of what they see and the range of work that they do. If they take on the responsibility of a small firm, even if it has only three people, they have to encompass the range of capabilities and responsibilities that go with running a business, often with limited knowledge. That is why organisations such as enterprise agencies become important. Finally, there is marketing. That is usually a part of the business of which they have no knowledge.

Those constraints exist and must be removed. They are being removed. That has been happening over the past 10 years. It started with an industry with which some of my colleagues have associations—BSC (Industries). That organisation identified the constraints and set out to try to remove them in steel redundancy areas and by identifying them began to develop some solutions that have been followed by other organisations.

Different forms of support have developed from that analysis. From the Government has come the small business division, which was operating under the Labour Government. It has developed, and I am glad about that. It started as an experiment. We did not know whether it would meet a need or whether it would prove to be unsuitable. We evolved the use of the retired consultant to give free consultancy advice.

There has been a gradual and genuine attempt by all Administrations to find ways of meeting the needs of the people who want to set up small businesses. That has been taken a stage further by the local agencies. We must recognise, as the Minister said, that we cannot expect the Government to fund them all without some control. That is the way in which the Government operate. It is the nature of the way that they are responsible for their cash. There is another aspect of that. It is not possible for the Government to operate at that level throughout the country. Even the existing agencies such as the Scottish and Welsh Development Agencies are limited as to how far down they can go into the micro-sector to help the establishment of small businesses.

Local assistance is essential, and I am delighted that it is evolving. The most cosseted form of help is the management workshop, where a manager manages the workshop, is paid from the rents of the businesses there, and acts as a built-in uncle and adviser to all those who are making their first venture into setting up a small business. That is desirable, and a logical, but not rapid, progression.

Mr. Trippier: May I intervene, because the right hon. Gentleman may not return to enterprise agencies? This may be an opportunity for the right hon. Gentleman to say that he broadly supports the movement. He has already made it clear that he may wish to take that line when he develops his theme. In my speech I made it clear that a bi-partisan approach to local enterprise agencies was essential. I would not deny that some enterprise agencies are wobbly. Not all are perfect, nor could they be expected to be. In view of the right hon. Gentleman's question at last trade and industry Question Time, it is desirable to clear the air on this issue. I know that on many of these matters he is extremely positive.

Mr. Williams: In the organisation to which I referred, we pioneered what we called the consortium, in which we brought together a local authority and private industry, either the industry which declared the redundancies or, since all too often such a firm could not provide the cash, which was why it had declared the redundancies, other firms within the area to help finance job creation activities in the area. I am committed to that, and I suspect that I

was committed to it several years before the hon. Gentleman. I do not mean that in a disparaging sense, but I was involved before he was. I advise him to consult his advisers, some of whom consulted us.

Many enterprise agencies are good, as I said in my question, many are innovative and doing good work, but some are talking shops. There is nothing wrong with recognising the fact that some of them serve a cosmetic rather than a practical purpose. The hon. Gentleman has so sold himself the idea of the agency that he will not recognise that in new projects there are sometimes problems that need to be dealt with. A problem of enterprise agencies—this is not their problem because we have not yet resolved how to tackle it—is that they have no performance criteria to work to.

I shall give an example, but not name the organisation because that would be unfair. It was most hospitable when I went to see it and it is dedicated to what it is doing. The agency was not doing it right, but it was dedicated to trying to do it right. The Government are concerned about value for money. That organisation had nine secondees and three secretaries. I asked how much the organisation cost to run. The local authority representative said, "I don't know what it costs altogether. It costs us only one secondee and a small amount of support money." I then asked the person in charge what the whole operation cost. He said, "I don't know. There are nine of us from my sort of level of middle management. Not one of us is costing our firm less than £20,000 a year." In other words, the secondees cost at least £180,000. To that must be added the cost of the secretaries, and the rental and operating costs. I estimate that the unit costs at least £250,000 a year to run, yet no one has even bothered to work it out. It does not matter to the local authority because it has to meet only a small amount of the cost, nor does it matter to the Government because they are not meeting any of the cost.

We must recognise that in most cases the agencies are doing a worthwhile job which the Government cannot do, in that the agencies operate at a level where Government cannot operate, and hold hands in the nicest, most positive and constructive way. However, as resources are limited, whether they come from Government, local government or even the private sector, we must ensure that they are put to a worthwhile and positive use. That is why we want to work towards clear objectives and measures of performance.

Mr. Trippier: I think that the right hon. Gentleman misunderstood me. I am desperately trying to help him. I am suggesting that perhaps the umbrella organistion, which has responsibility for the community's enterprise agency business movement, would be somewhat unnerved by his question at trade and industry Question Time. The only difference between us is his use of the term "talking shop". Whatever enterprise agencies are, they could never be talking shops. I admit that, in some areas, they may not be as effective as they might be.

If the right hon. Gentleman has read a recent study about enterprise agencies, he will know that the cost per job is certainly value for money. The cost per job has been estimated at less than £500. The example that he gave the House of an enterprise agency with about seven secondees is most unusual. Most enterprise agencies have one director, often not even a deputy director, and one secretary, and the right hon. Gentleman knows that.

Mr. Williams: I am aware of that. However, the hon. Gentleman does not seem to want to face issues that exist. I am aware of the activities of Business in the Community. There is nothing for us to disagree about. If some enterprise agencies are talking shops, why not recognise the fact? If some do not use resources effectively, surely a Conservative Minister — *[Interruption.]* With all respect, the hon. Gentleman is at the start of his ministerial career—I wish him well—but for him to sit there and say happily that none of the agencies are talking shops shows a certain naivety and an unwillingness to face reality. I was trying to develop a consensus approach on small businesses, but the hon. Gentleman appears insistent that we shall not have one.

Mr. Richard Page (Hertfordshire, South-West): The right hon. Gentleman was right to point to the costs of running a particular enterprise agency, and to say that we should expect value for money. Did he ask other questions, such as how many businesses the agency had set up, and how many jobs it had developed and created? That way the black picture that he pointed may seem less gloomy.

Mr. Williams: I asked precisely that question and the enterprise agency answered it with great honesty. It said that it could not really say. Some Conservative Members are showing their naivety about how the agencies operate. Merely talking to someone does not create a job. If a person wants to set up a business, wants help in consulting a bank manager, and gets help, it does not mean that the agency has created the business. I suggest that the Under-Secretary returns to his Department and asks his officials to give him a breakdown of the figures to show how they arrived at the £500 cost per job. He may discover that that bears little analysis. That is true of the cost per job in all sorts of agencies. The same used to happen with the old development agencies and development corporations. If they had consulted a person in Japan five years ago, come to this country and set up a completely different project, they were likely to have that person in Japan in their list of the people whom they had consulted and been influenced by.

The trusts, agencies, workshops and advice services have all done good in increasing the survival rate of firms. That has been the big change. Reference has been made to the number of new businesses, but over the years there has been very little change in the number of new small businesses as a proportion of existing stock. The difference lies in the rate of survival, and that has a lot to do with such things as the small firms service and the agencies. The Minister lays great claim to the Government's achievements, but between 1979 and 1982 there was a dramatic fall in the birth rate for small businesses. The rate picked up again in 1983, but even then to only slightly above the 1979 level. I noticed that when the Minister drew his comparisons, he was careful to use the dates of his own party's disasters as the base date for his measurements. If he had gone back a few more years, he would have found that the position now is perhaps slightly better than before, but not much better.

The biggest difficulty for small businesses is the first two years. However, it is interesting to look back over a longer period. For example, half the businesses in existence in 1971 had disappeared by 1981. Of those that remained, 80 per cent. still fell in the same size band. They

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had not grown. Thus, 50 per cent. of those businesses had disappeared, and 80 per cent. of the remainder were still in the same small band. Only 0·2 per cent. had grown to have 1,000 or more employees. I do not make that point in a knocking sense, but merely to show that the small firm is limited in its use as a solution to our unemployment problems. Sometimes, the Minister seems to portray it as the solution to them.

Furthermore, the situation favours the south-east rather than the more needy areas of the country. The highest proportion of small business births is in the south-east and the lowest death rate is also in the south-east. Moreover, the highest proportion of high tech industries is to be found in the south-east. The Minister is discovering that it is not always easy to identify or co-ordinate the correct policy. In the last decade, the Bolton committee was set up after pressure from business and the CBI, complaining about the flood of forms and about the fact that small businesses found themselves snowed under. It must, then, have been a rather bitter experience for the Minister to receive a recent memorandum from the CBI complaining about the weakness of statistics for small businesses. I commiserate with the hon. Gentleman, because that just goes to show that some people cannot be pleased. When the request for a reduction in the amount of form-filling was made, a warning was given that there would inevitably be a reduction in the quality of statistics. Thus, although the policy decision was willed, the consequences are now bemoaned.

I have already mentioned the difficulties of co-ordination. The Minister can boast about what the Government have done for small businesses while, behind his back, another Department introduces a statutory sick pay policy. Indeed, according to one survey, that policy has meant that two thirds of small firms say that they will employ fewer disabled people because of the risks involved. Furthermore, 26 per cent. have said that they have switched some of their staff from full-time to part-time work; 54 per cent. have said that they have difficulty with administering the system; 60 per cent. have said that they have now altered their employment intentions, and 90 per cent. have said that they now pay much more attention to the medical records of applicants. The Minister may have his finger in one hole in the dyke, but his colleagues down the road in Whitehall have got the bulldozers and demolition teams out to remove the rest of the dyke.

Despite the eulogies, the Government's policy is sometimes inexplicable. We have already heard about the advantages of the small unit. Indeed, I have mentioned its value, and the Minister has nodded his approval. But who ended the small workshop scheme in March of this year? In a recent submission, the CBI has said that there is now a danger in some areas of the supply of premises of fewer than 1,000 sq ft drying up. Those are the very units that the small workshop scheme would have helped.

Mr. Andrew Rowe (Mid-Kent): Is the right hon. Gentleman aware that in a large part of the country it has been demonstrated beyond peradventure that it is perfectly possible to build and run such small workshops at a profit, and that Government assistance is not as necessary as it was when the scheme began?

Mr. Williams: The hon. Gentleman is preaching to the converted about the merits of such schemes. Indeed, I have spent several years trying to convince other people of the value of such schemes. But one big difficulty is that one cannot persuade the property developers in the south-east to go outside that area or to take any interest in developing workshop schemes, because the small units represent bigger administrative problems for them, and consequently more uncertainty. As a result, private money has been reluctant to move in. That is one reason why the Government introduced the scheme; they wanted to encourage such ventures. However, they have now abandoned it.

Mr. Chris Smith (Islington, South and Finsbury): Will my right hon. Friend bear in mind the example of Cambridge city council, which has set up a considerable number of workshops? Initially, council money was used, but a good return and profit was made out of the workshops, thus creating space for jobs. The private sector would not move in initially.

Mr. Williams: There is enormous scope if the local authorities are given the necessary power. Such workshops can be run highly profitably. That is why we are committed to making resources available to the local authorities.

Mr. Powley: The right hon. Gentleman may like to know that the initiative for the enterprise mentioned by the hon. Member for Islington, South and Finsbury (Mr. Smith) came between 1976 and 1979, when I had the honour of being the leader of a Conservative Cambridge city council.

Mr. Williams: I am delighted at the coincidence of timing, because the years between 1976 and 1979 were the very years when I was the Minister responsible, and I am therefore sure that our encouragement enabled the project to get off the ground.

The Government's position becomes even more incredible when other factors are taken into consideration. After all, a Government who say that they are doing everything they can to help small businesses with their financial problems have removed capital allowances. Capital allowances to them, of course, are things that worry the great big firms. But it means that the unincorporated firm has lost the advantage of the allowance and the stock relief, and receives no compensatory benefit as a result of any tax changes flowing from that decision. Thus, the situation has been made more difficult for an important part of the small business sector.

Sometimes the Government do not always achieve their objectives. Of course, that is true of every Government. Many projects are brought forward with good intentions but are found to need amendment. I am not being critical, because I think that the new scheme has been worth while. However, with regard to the business expansion scheme, I ask the Government to consider the fact that the terms on which it operates inhibit the ability to operate overseas. In addition, there is the well-known criticism that funds are not normally provided below the level of £100,000. That is not the sort of funding needed at the smallest end of industry.

The paradox is that the system provides money up to the £100,000 level under the loan guarantee scheme. The old scheme was set at the £37,000 level which was much

better for small businesses, but that was neutralised because it cost too much. The Government are unwilling to put their money where there mouth is.

Mr. Michael Grylls (Surrey, North-West): Knowing the right hon. Gentleman as well as I do, I know that he wants to be fair. He knows very well that there was a good reason for the removal of capital allowances. That action was taken to make corporation tax generally fairer. The rate of corporation tax has been reduced from 42 per cent. to 30 per cent., so the standard rate for the smaller firm is now the same as the standard rate of income tax. There is a good deal of sense about that. The right hon. Gentleman should know that 90 per cent. of all small firms are incorporated. Only the very few in the unincorporated sector have been affected in the way that he has described.

Mr. Williams: The hon. Gentleman has conceded my argument. He has admitted that the unincorporated sector is affected adversely. He rightly says that 90 per cent. of small firms are incorporated. That suggests that 10 per cent. are not. The Minister has spoken of the many small businesses that exist, and 10 per cent. of a large number is a significant number. That means that many small businesses are much worse off than hitherto. I am glad that the hon. Gentleman has been able to provide corroboratory evidence of my case.

The Government initiated a survey of the burdens on small businesses and thereafter produced a Green Paper. The Opposition go along entirely with the idea of removing unnecessary burdens from industry. We support any moves to simplify the procedures that confront small businesses. I am in favour of that policy as long as it does not add to the risks that are faced by employees or consumers.

There is a danger of being a little dewy-eyed about small businesses. There are many delightful, encouraging and highly innovative small businesses but it is a sector in which cowboys are to be found. The Under-Secretary of State for Trade and Industry draws in his breath. That reflects the degree of rose tinting on the spectacles he wears when he reads his briefs. Anyone who conducts constituency surgeries will be aware of the problems that are created by the cowboys at the small end of industry.

The Government's study was based on a small sample and the interviewers said that most of the representatives of small business to whom they had spoken had not considered the problem seriously. That suggests that they were not conscious of the existence of the problem.

The Government are talking of eliminating the statutory audit and reducing the requirements to file accounts. That may be an excellent approach from the point of view of easing the work of the small firm, but if the Government are not careful they will exacerbate the problem of raising capital and obtaining loans. That can be described as the No. 1 problem or the No. 2 problem, depending on whom one consults. The inevitable consequence of being unable properly to assess risk is to make it more difficult for a firm to obtain finance.

The Government talk about reducing licensing. I took the Consumer Credit Bill through the House in 1974 when I was a member of the then Labour Government. I would deplore any attempt to exempt any firms from the net of consumer credit licensing. The 1974 Act was a consensus measure. It was devised by the present Foreign Secretary and I picked it up when the Labour party formed a Government and enacted it. It was introduced because of the problems caused by loan sharks. There was concern throughout the House at the activities of some of these individuals when allowed to act without regulation.

It is the Government's policy to abolish wages councils. I find that somewhat anomalous in the light of one of their other objectives. The Government say that it is important to widen the income gap between those who are out of work and those who are in work, in order to encourage people to work. It seems that at the same time they are saying to the lowest paid that they intend to take away the safety net that is provided by the wages councils, so as to reduce their income to social security standards. That is an utterly illogical posture.

The most dangerous part of the Government's policy for alleviating the burdens on small businesses lies in their approach to safety. Self-regulation is potentially incredibly dangerous. Only 22 of the 200 companies referred to in the survey quoted safety as a problem for them in terms of a work burden. On the other hand, the Comptroller and Auditor General was reported in the press on 5 June as saying:

> "Information from both the Factory Inspectorate and local authorities suggests that in recent years economic circumstances have deterred many smaller businesses from maintaining good health and safety standards."

The report tells us that some small businesses and sub-contractors have

> "failed to achieve acceptable standards. That imposed an additional workload on inspectors . . . when their numbers had fallen. Between 1979 and 1984 there was a 13 per cent. reduction in Health and Safety Executive staff."

In the wake of that, the Government are talking of safety self-regulation.

A 1981 study of machinery accidents in manufacturing showed that 50 per cent. occurred in firms employing fewer than 100 persons and that over 10 per cent. occurred in firms employing one to 10, although these firms accounted for only 5 per cent. of employees. The construction industry provides a graphic example. In 1983 the Government backed with the industry the "site safe" campaign. The factory inspectorate was concerned at the rate of death in the industry. Deaths increased from 129 in 1981 to 149 in 1983. Major injuries rose from 1,766 to 2,272. However, during that time of increases in deaths and major injuries, the number of employees in the industry had fallen from 1,090,000 to just over 1 million.

Mr. Cash: It is important to maintain proper and reasonably balanced levels of health and safety standards, but will the right hon. Gentleman accept that the examples that he has given fall within a period when health and safety legislation has been in force? Therefore, a significant number of the accidents to which he referred, regrettable as they are, may have occurred in circumstances which were more or less inevitable.

Mr. Williams: Does the hon. Gentleman not appreciate my concern about what has been happening during a period of regulation? There must be grave doubt about what would happen if there were deregulation, especially in a sector of industry that has a high casualty rate in terms of its own survival. It is often under great financial pressure; therefore, there is great psychological and financial pressure to cut corners. In conjunction with the Government's proposals on safety, they are talking of enabling firms to sack employees more readily by

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removing the protection of wrongful dismissal. However, a recent report—"Health and safety at work April 1985" —stated:

"The attitude of site managers was found to be poor. It was such that site management pressure was applied upon individuals to perform under conditions where they felt it was unsafe by the expedient of suggesting that they . . . could be dismissed from the site."

We are talking about deregulation for people who, under the existing system, are willing to use the threat of the sack to stop complaints about low safety standards. There is also a danger of removing the unfair dismissal protection from workers.

I can understand the Minister's enthusiasm to do all that he can to help the small businesses. We share his genuine enthusiasm to remove unnecessary and avoidable procedures and inhibitions on small firms, but we must proceed with great caution on safety. We endorse the objective of stimulating more new businesses and of enabling more businesses to survive. We want to stimulate the local generation of business, but we do not think that the Government are on the right course in some of their proposals.

10.51 am

Mr. Graham Bright (Luton, South): It is a tribute to small businesses that we are spending a whole morning debating them. Ten or 15 years ago there would have had to be some special justification for our spending so much time talking about small businesses. Today we are given the opportunity to review the achievements of small businesses and to put forward ideas for the future.

Many people regard small businesses as second rate. Slowly, that attitude is changing. Now people are taking more interest in small businesses. That applies particularly to young people leaving school. Many young people now see a more assured future in the small sector than in the large sector. Multinational companies have been shedding labour. The more massive the investment, the more likely it is that jobs will go.

About 1·5 million small businesses in this country employ about 6 million people and produce about one quarter of our total output. Small businesses cover every sector, including manufacturing, construction, transport, the professions and the service industries. In many cases small business means best business. It is best because it offers managerial innovation and a much higher standard of service. It is best because it is efficient. Above all, it is best because it is flexible.

Small businesses are a vital seed bed for new businesses. They offer new managerial talents the opportunity to be tried and tested. A person can be tried and tested better in a small firm than in a large firm because of the overall umbrella of responsibility that has to be taken compared with larger firms.

Small businesses vary tremendously. There is a lot of difference between a small manufacturing company and a small shop and between a small hotel and a solicitor. Small firms have in common their small share of the market and personal management. The differences—I underline this —are as important as the similarities. If we do not recognise that, we shall offer only blanket answers to complex questions. There is small and small. We cannot discuss small businesses in general terms. We have to dig deeper.

The Minister talked about the success of small businesses in America. We often have to underline what is happening in America because the Americans have a small business administration that provides facts. Therefore, more information is available in America, so that it is possible to calculate that 88 per cent. of new jobs came from small businesses last year. That is good news if one considers IBM and General Motors and the vast corporations in America.

I genuinely believe that small companies will make a major contribution to creating new jobs for the future. In America 80 per cent. of jobs created in the last five years were generated in companies which were less than five years old.

Mr. Soley: Should not the hon. Gentleman remember that long ago the American Government abandoned monetarism except by word of mouth and that as a result they embarked upon a period of Keynesian inflation and are regenerating the economy?

Mr. Bright: It is not just that, but an attitude of mind. The small business revolution has been going on in the United States for a long time. When Bolton examined the problem in 1971, he discovered that there were one third fewer births of small companies in Britain than in America. The attitude is not new. America's attitude has been different for many years.

Mr. Andrew Rowe (Mid-Kent): Is it not also true that the ability to retain a business in its early years and the profits generated have proved to be a tremendous engine in the growth of small businesses in the United States?

Mr. Bright: That is one of the factors. I do not want to be dogmatic and point to only one factor.

The decline of small businesses in Britain started at the turn of the century. A number of factors have accelerated the decline, such as the state's role, intervention by local government and nationalisation. Many factors have helped to stifle small firms. There has been an increase in red tape in the tax system, PAYE, national health insurance, employment laws, labelling regulations — even trade unions have helped to stifle small businesses.

At one time everyone believed that biggest was best. The tax system positively encouraged large corporations to merge. About 50 per cent. of our output is in the hands of 100 companies. That is wrong. There are more mutinational companies here than in the rest of the EEC. That shows that we have been supporting large multinationals at the expense of small businesses.

The Bolton report in 1971 was incredibly good, but its tragic failure was that, although it recognised the problems, it did not make many specific recommendations about the tax and regulations systems, employment laws and planning controls which tend to stifle small businesses.

Despite that being recognised, we continued to introduce employment protection and sex discrimination measures, all of which treat the small corner chemist shop in exactly the same way as ICI.

In the mid-1970s, people such as Lord Lever and my hon. Friend the Member for Hampshire, North-West (Mr. Mitchell) began to campaign on behalf of small businesses, with the result that when the Conservative Government came to office in 1979 they were able to

accelerate the process and introduce many new measures to help small businesses. Some of them were outlined by the Minister this morning.

When I first came to the House, I campaigned vigorously for the loan guarantee scheme. It has been much maligned. Although it has cost a good deal of money, it has created about 40,000 jobs, and 14,000 small firms have been assisted.

My hon. Friend the Member for Norfolk, South (Mr. MacGregor) introduced the small engineering firms investment scheme. It was a great success and over-subscribed, and had to be reintroduced at a later stage. I hope that the Miniser will take an interest in that area and help to encourage more high technology investment in small firms.

The business expansion scheme has been extremely successful and there is every indication that it will accelerate. The right hon. Member for Swansea, West (Mr. Williams) mentioned small business units. There has also been great success in that area. When I started my business in 1970 I had to scour the countryside to find somewhere to start; it was almost impossible to find a suitable place. Today throughout the country there are small business units and their growth is accelerating. I disagree with the right hon. Gentleman's comments in that respect. Private developers are finding that they are profitable. I am pleased to see the development of small estates of such units, with overall management facilities provided, such as accountancy and telephone answering. That is the second stage of development, and I welcome the initiative taken in that area. There is also the small firms counselling service, which was mentioned by the Minister. That is of great benefit to small firms.

Perhaps it is a mistake to use the term "small business men". Nothing happens to one overnight on setting up a small business. I may have a small business, but I am perhaps larger than I should be, especially as I deal in dietary foods. Seriously, I think that it is a mistake to use the term "small business men". They are craftsmen with a particular skill, and putting a lathe into a workshop does not make a man a business man overnight. Anyone starting a business has to deal with the problems of marketing, cash flow and so on. I am a marketing man, and when I went into business the best piece of advice that I had from my accountant was, "It goes in on the right and out on the left." That shows how much I knew then about book-keeping. I had to learn about book-keeping. On starting a business, one has to make oneself a business man as well as make the business a success.

I like to have a go at the farmers, and as the Member for Luton, South I can do that. There are 230,000 farmers in Britain and they provide 600,000 jobs. They have a Cabinet Minister, two Ministers of State, a Parliamentary Secretary, and 14,000 civil servants. The small business sector, comprising nearly 1·5 million business men and providing 6 million jobs, has half an Under-Secretary of State to look after its interests, together with a small band of dedicated staff.

In case the Prime Minister reads *Hansard*, I should like to make it clear that I am not advocating that the small business sector needs a Department the size of the Ministry of Agriculture, Fisheries and Food, but I believe that it should have at least a Minister of State to look after its problems, with the power to co-ordinate his efforts with those of other Departments. It is crazy that the Council for Small Industries in Rural Areas is still administered by the Department of the Environment. Administration should be confined to one area.

I should like to see a Select Committee set up to deal with small businesses, not simply to look at their problems but also to monitor legislation. I have already referred to legislation which treats small and large businesses as though they are the same. Such a Committee could consider the effect of legislation on small businesses. In many cases, rather than offering help to small businesses, it would be better to find ways of getting off their backs.

It would be useful to have an annual report to Parliament on the state of small businesses, on the lines of what is done in the United States. There could be a standing conference of small firms, with an independent institute to look after their interests.

Although the Government have done well to bring corporation tax down to 30 per cent., the jump was too rapid; there should have been a graduated process. The important point in a small company is to be able to retain profits. I am talking of profits of about £2,000 or £3,000 which can be ploughed back into the company. Ludicrous things go on in small companies. Often a man will buy a Mercedes or a new desk and office equipment when he should be saving the money to buy a bigger piece of machinery. Business men often fritter away money in trying to dodge the tax man.

Education has already been mentioned. Small businesses particularly need people with multiple skills and discipline. In setting up a small company it is not possible to stick to one's trade. When I started in business and persuaded an engineer to join me, he had to do everything. He had to understand electronics; he had to do some plumbing, carpentry and toolmaking. To create more small businesses we need more people with multiple skills. For those skills we have to look to the education system. We need not only manual or craft skills; people must know something about book-keeping and marketing, and how to convince a bank manager to lend money. In addition, people must have the right attitude of mind to be successful in a small business.

I recall the story of a colleague in the House whose daughter was graduating from Cambridge. When she told one of the professors that she was going into a small business, he said, "You are too intelligent for that." That sort of attitude has to be overcome.

A programme of management training for small firms is needed. The polytechnics should be providing courses of training in business studies and in industrial technology. They should be providing the sort of people that we need in Britain to create small firms. Polytechnics could play a bigger role in linking their studies with industry. There are excellent science parks in Cambridge and elsewhere. There should also be mini-industrial parks linked with polytechnics. It would help polytechnics and industry if they could combine in that way.

I welcome what the Minister said about Government procurement and purchasing policy. In the United States, 30 per cent. of Government expenditure is guaranteed to go to small businesses. I hope that we can move towards that target.

I hope that we will also consider rating reform for the small business man as well as for the domestic ratepayer. We ought also to review planning legislation. We build industrial estates away from houses, yet we apply the same planning regulations there as are imposed on developments

[Mr. Bright]

next to residential areas. That is silly. We ought to allow much more freedom from planning controls, at least on industrial estates.

As I said earlier, this is an important debate and I welcome it. The success of small businesses can now be measured. If we are to contribute in the industrial world and make an impact on our tragic unemployment, we must continue to press for a strong small business sector.

11.11 am

Mr. Donald Stewart (Western Isles): I was glad to hear the Minister say that 140,000 small firms have been set up since 1980. As so many large firms have gone to the wall, it is good to know that some of the slack is being taken up elsewhere.

The Minister referred to the number of start-ups, but there have been a tremendous number of bankruptcies and receiverships under this Government. On a number of occasions in the early days of this Administration, business men, usually young men, said to me, "I voted for the Government, and I am a small business man, but I am afraid that they are going to see my boots off." I concede that I have not heard such comments in the past two or three years, so I accept that, although the Government did not make a good start, they have done quite a lot to encourage small businesses.

Many of the firms that the Prime Minister calls new businesses are virtually shadow companies and little more than book entries in the register of companies. Some are run by men who use redundancy pay to set up in business.

Mr. Jeremy Hanley (Richmond and Barnes): That is what it is for.

Mr. Stewart: Perhaps it is, but unfortunately many of those men do not have the necessary experience and will get their fingers burnt. However, it is a free country and they are entitled to do that, though it is unfortunate that some will set up in business without getting proper advice.

I accept that many useful changes have been made, including the abolition of the employers' national insurance surcharge. The more restrictions that are removed from small businesses the better, though I add the caveat that there should be no cutting of corners in health and safety regulations.

In the light of the number of people employed in small businesses, the Government should not abolish the wages councils. Many businesses would take advantage of the abolition of the wages councils to depress the wages and conditions of many of their employees.

The Minister referred to the links between commerce and education. Some unfortunate views are expressed on that subject. The Minister referred to an enterprise culture and the Secretary of State for Education and Science has been speaking about the topic recently. It has been said that the Education Act 1872 was passed because of the need of industry and of the expanding British empire for clerks who could read and write. The Government's idea of education seems to be that people should be prepared for industry and virtually nothing else. We may one day even see a Secretary of State for Education and Science telling us that we do not need professors of Greek.

That is not what education is about. All my experience before becoming an hon. Member was in business, so I do not speak from an elitist or academic point of view. It is important to have a connection between education and commerce, but I regret that the Government are over-emphasising that need.

Small businesses are important in Scotland. Firms employing fewer than 200 people account for one quarter of employment in manufacturing industry. Of course, some would regard such firms as fairly large businesses, but we have not defined what is a small business.

One of the biggest problems affecting small businesses in Scotland is rates. We have suffered much more than England and Wales, because we have had two rating revaluations while they have had none. It seemed for a while that the Secretary of State for Scotland was about to commit political suicide because of the appalling rate increases that fell on businesses and domestic ratepayers in Scotland. A £50 million rescue package was eventually cobbled together, but it seems that, because of the formula used, only £30 million will be taken up, and the rest will be retained by the Treasury.

I suggested in a recent speech that the maximum rebate for a firm should be £10,000, so that money would be left in the kitty to help more small businesses. Unfortunately, that idea has not been adopted. Small concerns have received only a limited benefit so far. I hope that the Under-Secretary of State for Trade and Industry will press the Secretary of State for Scotland to make the remaining £20 million available.

I welcome the Under-Secretary's approval of co-operatives. I am glad to see that he has no political hang-up about the word "co-operative" and I welcome his assurance that some assistance will be given to co-operatives. They are important in Scotland, and particularly in my constituency.

In November 1982, there were only 43 co-ops in Scotland. By the beginning of this month, there were 134, employing 2,000 people. They are important in an area which has the highest unemployment in the country. They are a hopeful sign and I hope that the Government will continue to help by giving increased financial assistance towards the establishment of co-ops. I am glad that there is no division on that point between the two sides of the House.

I broadly agree with Schumacher's view that small is beautiful. I welcome the support given to small firms, because I believe that large firms, like other large organisations, can get out of human control. Small firms make a valuable economic contribution and engender independent character in the people running them. That sector deserves the full support of any Government and I welcome the Minister's speech as a sign of his attitude.

Several Hon. Members *rose*——

Mr. Deputy Speaker (Mr. Ernest Armstrong): Order. I am anxious to call all the hon. Members who wish to take part in the debate. I am grateful to the right hon. Member for Western Isles (Mr. Stewart) for his brevity, and I hope that his example will be followed.

11.20 am

Mr. Richard Page (Hertfordshire, South-West): The House will be devastated to learn that I shall not be speaking for very long. I have discovered that verbosity does not emphasise or strengthen any argument that any hon. Member wishes to make, anyway.

I greatly enjoyed the speech of the right hon. Member for Swansea, West (Mr. Williams), I welcome his

conversion to the cause of the small business sector. I only wish that he was supported today by more than two of his hon. Friends. The absence of Opposition Members shows that the real belief in the small business sector is held by Government supporters and not by Opposition Members.

One of the questions that we must ask ourselves is why we should support small businesses. Philosophically and politically they are more in tune with the Conservative party, which perhaps is enough in itself. However, we should consider some of the deeper reasons.

The Minister mentioned the employment opportunities in small businesses. I believe that today we are paying the penalty in employment terms for not showing greater interest in and giving greater support to the small business sector 15 or 20 years ago. We do not have the companies employing 200 and 500 people today because the firms were not started 15 or 20 years ago. They were on the continent, and that is why the unemployment problems there are less than we are experiencing. We look to the small business sector for the flexibility to bring in innovations. In the rather hackneyed phrase often used, we look to them to plant the acorns that will grow into the oaks of tomorrow.

I look to small businesses to provide other advantages. I look to them to provide import substitution and more exports. We have to support these two areas, because the smaller businesses provide the very fibre of our economic culture.

I am disappointed that the loan guarantee scheme has had such a high rate of failures. It was not set up as a social service. It was set up to provide finance for our small businesses to grow and, while we could argue about the high rate of interest and say that it almost militated against success in some areas, I am disappointed at the success rate of the scheme. I shall not go into the reasons for the lack of success, but the banks have not picked sufficient winners. If I were a director of a bank, that would worry me when I came to examine my management structure.

That takes me to the business expansion scheme. I should like to see it take up the loan guarantee scheme in that it should be allowed to provide loans as well as equity capital. There would have to be protections, of course. It would be necessary to make sure that the equity borrowing ratio did not get too much out of kilter. It would have to be within limits, and there would have to be limits on the interest rates which could be charged. But, overall, it could give a small business a capital financing package with interest rates that were a sensible proportion of its new costs.

The same rules should apply. People using the business expansion scheme should have to put in their money for five years. But it would have another advantage, because so many small firms discover when they go to the business expansion scheme that they need too much capital to get started and that, in getting it, they give up too much of the equity in their new companies, which they are reluctant to do. It is part of the ethos and thinking of a small business man that he runs his company; he does not run a company where he is managing other people's money.

If this idea could be taken up, I hope that the evaluation by the business expansion scheme of any new idea would help to improve the rate of success, which has not been evident with the loan guarantee scheme. It has worked for the local enterprise agencies. I see no reason why it should not work for the business expansion scheme.

I referred earlier to the need for more exports. I pay tribute to the improvements in the British Overseas Trade Board under the chairmanship of Lord Jellicoe. We have seen the board provide a more enthusiastic service to our exporters over the year or so in which he has been in charge. However, I make the plea in passing that we examine the possibility of changing the name of the board, possibly by bringing in the word "exports". In my view we need to make it sound a little more positive. The big companies know what it is about, but the present name means very little to smaller companies.

The British Overseas Trade Board provides many valuable services, and small businesses should know more about them. I should like to think that my hon. Friend and his Department could forge closer links with the services provided by the board and the smaller businesses. The board has produced an excellent booklet, "Help for Exporters". I should like to think that every small business man knew about it. I have asked some, and they do not even know of its existence. I ask my hon. Friend to do all that he can to strengthen the links between the board, the local enterprise agencies, the banks, trade associations and chambers of commerce so that small business men know that there are opportunities to export and that we have the supporting services to provide them.

I also ask my hon. Friend to add to his burdens/investigation a close examination of the necessary paperwork involved in exporting. Small business men to whom I have spoken shudder at the complexity of the forms that they have to complete before they can export. I hope that something can be done to simplify matters.

I hope that my hon. Friend will consider the two main topics that I have raised. I also apologise to him and to the House as, unfortunately, I shall not be here to listen to my hon. Friend's concluding remarks since I have an important constituency engagement later in the day.

Mr. Deputy Speaker: The House will be grateful to the hon. Gentleman for his brevity.

11.26 am

Mr. Clive Soley (Hammersmith): I congratulate the Minister on his engagement later today. Unfortunately, that is the only congratulation that I can offer him, because we have heard from him the usal excuses about the plight of small businesses.

The Minister fairly and properly complimented Opposition Members as well as his own supporters on recognising that successive Governments and local authorities under both Labour and Conservative control had introduced and supported schemes designed to help small business. However, the Minister should know better than anyone else, given his departmental responsibilities, that the Government are primarily responsible for the plight that small business has been in since 1979.

During the Minister's speech I asked him about the number of compulsory liquidations and bankruptcies that there had been, and he tried to get round my question by saying that there had been more start-ups. However, we all know that the rate of increase was dramatic. The Minister must have seen the graphs produced in a number of magazines, including *British Business*, showing the line of compulsory liquidations and bankruptcies going through the roof between 1980 and 1984.

The Minister sounded like a first world war general being quizzed about the appalling losses on the western

[Mr. Clive Soley]

front—"We are sending far more men over the top than before." That is the failure of this Government. I take that argument a little further, because it is worth quoting the hon. Gentleman's own departmental report. "Burdens on Business" concluded:

"Recession, poor demand, low consumer spending due to unemployment and growing poverty are therefore the most influential factors in the state of small firms."

That report was produced for the Minister's Department, and he knows that those are the most influential factors.

In debates such as this it is very instructive to look back to the promises made by political parties at the time of general elections. If we go back to 1979, we find the Conservative party saying that it is the duty of a Government to create the climate in which wealth can be created and small and big firms can prosper. On that, they are damned for their failure. We all know that the primary reason in the early stages was the inability of the Conservative Government to control interest rates, which dramatically affected the collapse of the small business sector. Now, the small firms have been devastated by the general recession.

Mr. Trippier: Before the hon. Gentleman gets carried with his rhetoric, I should remind him that small firms were not mentioned in the Labour party manifesto of either 1979 or 1983. My hon. Friends have referred to the fact that Labour Benches are sparsely filled in this debate, and we have said that we are the party primarily concerned with small businesses. Where is the concern for small firms expressed by the Labour party? Where was it in the two manifestos?

Mr. Soley: The Minister has put his finger on the all-important difference between the two parties. We do not make promises that we cannot keep. The Minister has recognised the strength of what I am saying. The Conservative manifesto made promises to small businesses, but nothing happened. However, Labour Governments and Labour-controlled local councils have done things. They have set up small enterprise units and so on. The Local Enterprise Development Unit was set up in Northern Ireland. The Greater London enterprise board was set up by the Labour-controlled GLC. The Government are trying to abolish that and the west Yorkshire enterprise board.

In the past few days, the Minister, along with others, has started to worry about the abolition of GLEB. I served on the Committee that considered the Local Government Bill, which abolishes the GLC and the metropolitan county councils. The Minister's colleague in the Department of the Environment was saying that the board would go unless other local authorities funded it. In the past few weeks, the pressure on the Government to support it has increased. That pressure, mainly from small businesses, has been so great that they have had to back down.

Mr. Donald Anderson (Swansea, East): That is the point. It is not pieties in manifestos or ritual incantantions made to local chambers of commerce but the facts of what parties have done when in government that is important. Those facts include, since 1979, not only high interest rates, to which my hon. Friend has referred, but something that has been a devastating blow to local businesses everywhere—the high exchange rates in the early years of this Government. The general collapse of our manufacturing base on which so much of our small business depends is another vital factor.

Mr. Soley: My hon. Friend embellishes my point. It is important to be aware of the fact that the Minister knows that from his friends in business and the survey from his Department. The Government have not done anything about the problems, and the Minister's speech today did not focus on any of the points that his survey pointed to as being problems for small businesses.

I am appalled by the number of retail organisations in my constituency that are going to the wall. *British Business* has shown that about 21 per cent. of retail businesses have gone bankrupt or into compulsory liquidation. Another sector that has been dramatically hit is the construction industry. Today there are reports that the House-Builders Federation has complained about the Government's inability to control the cost of land, on which there is inflation of 1,000 per cent. It is telling the Government that the construction industry is suffering dramatically because of the Government's policy on housing, or should I say lack of policy on housing. The climate that the Government have created is making it murder for small businesses and large firms alike to survive. There is much truth in the saying that the quickest way to get into a small business is to start off with a large one. At least one does it rapidly that way.

The hon. Member for Luton, South (Mr. Bright) criticised the education system because teachers do not encourage sufficient awareness of, and interest in, business. He said also that not sufficient is being done in the post-school sector. A Government who have launched so many cuts in education and who treat teachers as second-class citizens not deserving of a salary comparable to those in European countries do not have the right to criticise teachers for not providing the sort of educational environment that they want to see.

There is also the problem of people who want to get into small businesses and who are trying to do business studies at polytechnics and adult education institutions. They find it infinitely more difficult to get access and grants to such establishments than it used to be. For the first time in many years, it is impossible to be guaranteed a place in a university even if one has all the qualifications to go there. That is the extent of the Government's attack on the education system, which translates into the general economic climate.

Not many months ago, the Government used to say that local authorities setting high rates were one of the causes of the collapse of small businesses. One of the reports to the Department of the Environment shows that high rates are not the major factor that they were made out to be. Even where they are, curiously enough, rates under this Government have gone up dramatically fast in both Conservative and Labour-controlled authorities because of the Government's economic policies.

The Government talk about supporting the Greater London enterprise board and enterprise boards and zones in other areas, but they clamp down on both the expenditure and the general powers of local authorities. That makes it more, not less, difficult for local authorities to support business of any kind. This economic climate, referred to in the Minister's departmental report, is a point to which the Minister failed to address himself.

Many small businesses in my area, particularly in the retail trade, are getting no joy out of the Government. The right hon. Member for Western Isles (Mr. Stewart) talked about people in his constituency telling him that the Government were driving them out of business. An hon. Member who is not from my party has expressed a view that has been expressed to me on many occasions by businesses in Hammersmith. They recognise the major problems. Shops are closing down in such areas because of the lack of demand, high unemployment and poverty. The retail trade knows that better than almost anyone else. Other people are becoming aware of it. In particular, the construction industry is aware of the effect of Government cuts on all sectors of construction, whether it is in housing, factory or hospital building. Many such businesses are going to the wall.

Unless the Government do something to improve the general economic climate, we shall continue to bounce along the bottom of this recession. There is no evidence of a significant revival although we have had constant talk from the Government about how the revival is just around the corner.

The inflation rate is up again. The Chancellor promises that it will come down at the end of the year. He says that he predicted the increase and now he is predicting the decrease. We have had all these promises before, but small businesses in Hammersmith are saying that they do not see things getting any better. That is the message coming home. The Minister can come out with all the fancy little schemes that he likes — which I support fully — but unless the Conservative party does something about the general economic climate, small businesses will continue to be decimated.

11.38 am

Mrs. Virginia Bottomley (Surrey, South-West): There is clear evidence from the debate of the strength of feeling among hon. Members about the future of small businesses. In this country, although 96 per cent. of our businesses are small, they employ 25 per cent. of the work force. That means that 4 per cent. of all British companies employ 75 per cent. of the work force, leaving them particularly vulnerable at times of recession. The Government have demonstrated their serious commitment to small firms by their actions. In 1983, some 47,000 new businesses were started—twice the increase of the previous year.

The steps that have been taken were documented by the Under-Secretary of State. Many of my constituents have benefited from the business expansion scheme and from improvements in the tax system: capital gains tax, capital transfer tax and particularly—a matter that has not been referred to previously in this debate—improvements in the national insurance contributions and the abolition of the national insurance surcharge. I shall refer in particular to the enterprise allowance scheme. This has benefited about 66,000 people setting up in business. It has helped those who previously had been on benefit and has provided a very much more cost-effective way of creating employment than many of the other schemes that have been suggested.

The search to remove regulations and burdens on business is widely welcomed. So many people ask, "What is the point of taking on somebody? What is the point of trying?" It is not necessarily the finance that deters them but the hassle and the complications, the 99 steps that one has to take to start up a business and employ somebody.

Nobody suggests that we should make people at work less safe. I quote from the Secretary of State's remarks in his introduction to "Burdens on Business":

> "Controls are necessary in some areas to ensure that the market works humanely, fairly and efficiently. These must be maintained. But we can reduce regulatory burdens, without destroying the essential protections for employees, consumers and the general public."

That point is echoed in the White Paper "Employment: The Challenge to the Nation". It says:

> "A very large amount of Government (and European Community) regulation accumulated in times of fuller employment. Whatever the merits of particular items, the total effect, imposed across the whole of industry, is often now to deter employers—especially small ones, without time and staff to master the complexities—from taking on workers; and the careful pursuit of externally-guaranteed protection against disadvantage for every individual circumstance can thus yield, for many more people, the severest disadvantage of all—the lack of a job. The Government has no intention of sweeping aside sensible safeguards and protections; but the balance needs to be looked at afresh in the light of today's priorities."

That view will be shared by very many people.

I welcome the steps that the Government have taken in developing their advisory services. They have made it simpler for a business man to receive help. I welcome also the development of the enterprise agency movement. In my constituency, the Blackwater Valley enterprise agency is a remarkable example of collaboration between local firms and the local authority, providing help effectively and efficiently. We learn that the usual rate of one in three firms failing in their first year has been reduced in areas with an enterprise agency to one in 12. The Under-Secretary of State's documentation of the growth in enterprise agencies is a striking example of what can be achieved with political will.

We should not just ask what Government can do but what industry can do, private and public, and what all of us can do. There have been many examples throughout the country since 1979 of large industries taking an interest in the development of small businesses. They have created jobs, wealth, employment and exports. I pay credit to the Confederation of British Industry's "Can you make it?" fairs, which provide examples of products that Britain is not making but which could easily be produced here. One should look at what Pilkingtons at St. Helens has done and similarly at what ICI has done to help people to set up on their own. That applies also to Marks and Spencer and BSC (Industries). It hopes to create 50,000 jobs by 1987.

I must emphasise that it is not simply donations of finance and possibly the loan of premises or equipment that is the answer to the problem. Frequently the key is the loan of experienced personnel. In enterprise agencies and many other projects throughout the country those with experience of setting up businesses are helping those who are starting up in business. It should not only be those who are approaching retirement who are giving this help. Some of the most enlightened firms are using their high fliers, who are awaiting a job change, to help with ideas. As a result, their best people are offering help to those who are just setting up in business.

Many other voluntary groups and projects are involved. "Instant Muscle" is a good example of a group that helps young people on a co-operative basis. "Head Start in Business", organised by Education for Industrial Society, is another example. It, importantly, has developed an idea called "Business Mates".

Reference has been made to enterprise agencies being talking shops, but those who set up in business need

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somebody to whom they can talk. It is a very lonely and stressful time. The idea behind "Business Mates" is to find a kind of godfather who is employed in another industry, whom one can go to see once a month to talk about one's difficulties and sort out, for example, the problems of financial control, marketing or problems associated with the local planning authority and the myriad complexities that have to be faced by anybody who may have a good idea but needs to put it into practice.

May I take this opportunity to refer to an enterprise in which I have great pride, although it is by means of a rather tenuous association? Ray Tindall, the chairman of Tindall Enterprises, who is the chairman of the board of one newspaper and the proprietor of another in my area, has bought some property locally and set it up for local nursery industries. Through the local newspapers he has recruited people who need premises. They can occupy the premises rent-free for a year. He has also generated the interest, good will and concern of the whole community. The result is that accountants, solicitors, and others who have technical advice to offer are coming forward, recognising that there is a need for their help. They can then move on to many other developments. In Godalming, for example, there is the Old Mill project, a private development. Communal secretarial resources are provided. There is a telephone answering service. When one is setting up in business, there must be somebody to answer the telephone. It is vitally important that customers should not be turned away, and when one is doing all the other jobs at the same time this is the kind of service that is worth having.

I take issue with the hon. Member for Hammersmith (Mr. Soley), who mentioned education. At a time when there are record pupil-teacher ratios and record expenditure per pupil, many of us believe that the standard of education of pupils who are being prepared for the world of work is appalling low. I was informed recently that of the 400,000 youngsters on the youth training programme the average achievement was one CSE each. This is a poor preparation of our youngsters for work.

In reference to the White Paper produced by the Secretary of State for Education and Science entitled "Better Schools", he says:

"the Government believes that, not least in the light of what is being achieved in other countries, the standards now generally attained by our pupils are neither as good as they can be, nor as good as they need to be if young people are to be equipped for the world of the twenty-first century. By the time they leave school, pupils need to have acquired, far more than at present, the qualities and skills required for work in a technological age. Education at school should promote enterprise and adaptability in order to increase young people's chances of finding employment or creating it for themselves and others."

That is the goal that will be shared by very many of us.

I hope that next year, which is to be Industry Year, all schools will do what has been done so well in community service. During the past decade most schools have organised some kind of community service — lovingly described by my own children as "Granny bashing" — whereby one visits an old lady to do her garden or something of that kind. However, if our youngsters are to be prepared for the world of work they have to know the economic facts of life and to understand that unless we can generate the wealth with which to build hospitals, schools and provide all the material that is required to fulfil their ideals and aspirations, we have no future.

I am pleased to say that in my constituency some of the Farnham schools are organising work experience for those in their fifth year at school, but this is still too rare. The young enterprise scheme, now involving 17,000 teenagers nationally, hopes to move to 30,000 in the next few years. This has been in existence since 1963. The technical and vocational education initiative is another example of linking schools with the world of work. By a succession of White Papers and documents—not just "Burdens on Business" but the White Paper on employment and the White Paper, "Better Schools" — the Government are changing the climate of opinion not just for small firms but for industry as a whole. A major factor at the root of our relative economic decline has been the low regard in which industry has been held.

Sir Geoffrey Chandler, the director of Industry Year 1986 and a former director-general of the National Economic Development Office, wrote in an interesting article in *The Times*:

"We are a country of paradox. We are a resourceful, inventive, and intelligent nation, excelling in the arts, producing more than our quota of Nobel prize-winners, capable of harnessing a collective will to defeat external aggression. In British industry, both manufacturing and services, can be found individual examples of excellence which match any in the industrialised world. Yet in general British industry has performed and is performing worse than its competitors. It has become increasingly clear that the supposed causes of our poor performance are in fact symptoms of a deeper cause—of a set of attitudes and an inherited culture which put industrial activity at the bottom of the social pecking order.

For this we are all responsible. We therefore all bear some share of blame for the present level of unemployment, whether as directors, managers, trade unionists, teachers, governments, churchmen or simply parents. Our education has been predominantly academic, leaving children ignorant of how the country earns its living, and has failed to develop the talents of making and designing. The fundamental connection between quality of life and industrial success is not understood. It is hardly surprising that our industrial performance has reflected the low esteem in which society holds it. We are—and I suspect have always been — an industrial country with an anti-industrial culture, and in this we are unique in the world. . . . Industry Year seeks to transform that."

I hope that hon. Members who feel strongly about the future of small firms agree that the Government have achieved a great deal to change the climate of opinion, to generate community support and give backing to carry those reforms and improvements forward into next year, Industry Year.

11.52 am

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I listened with interest to the speech of the hon. Member for Surrey, South-West (Mrs. Bottomley). I agree with her that much of today's important debate is about changing attitudes. I also agree that it is important for us to generate and instil an ethic of enterprise and incentive in our youngsters. She made an important point in stressing that.

Our difficulty in discussing this whole subject concerns the number of issues that arise, and that has been demonstrated in this short debate. Many issues have been raised and we do ourselves no service if we do not accept that Government find it difficult to cope adequately with it, with so many Departments being involved. After all, so many aspects of our lives — industry, retailing, finance and the rest — impinge in this area. We must

not, therefore, underestimate the problems facing any Government in trying to provide for the important sector of the nation's life that we are debating.

The hon. Member for Luton, South (Mr. Bright) was right to say that the Government should give more recognition to that problem by beefing up the way in which they deal with the subject, perhaps by giving the Under-Secretary full ministerial powers, as a Minister of State, at the Department of Trade and Industry. Indeed, that would be the least that we could do to celebrate the christening that will take place later today in the Palace of Westminster.

It is also important for us to seek common ground across parties, and we have managed, by and large, to do that today. Indeed, I find that Friday debates are by far the most satisfying in the House. Those in which I have participated have been more measured and relaxed, and they are generally far more philosophical than some of the normal rubbish that we get during the rest of the week.

We in the Liberal-SDP alliance have honest credentials in discussing this subject. Our whole approach and style to the broad political issues are in tune with the needs of the small business sector. The emphasis that we place on decentralisation, devolution, participation and profit-sharing are well-established Liberal policies and are part of our philosophy. They give us an important part to play in the debate and we have an honourable and creditable tradition in this whole area.

Has the Minister had time to study the report that was done by the *Economist* intelligence unit for the United Kingdom organising committee for the European year of small and medium-sized enterprises, which was published in 1983? It undertook a 10-country study of the problems experienced by small businesses, and some of the findings were worrying.

We came out badly in all the league tables that the report produced. For example, we came tenth out of 10 in employment in the small business sector; we came ninth out of 10 in disclosure requirements, burdens which have been under investigation by a ministerial committee; we were equal last in the protection given to small businesses by monopolies and mergers legislation; and we were ninth in the availability of subsidised loan capital as a proportion of total bank lending to small businesses. We did reasonably well only under the heading of tax incentives. However, that was in 1983 and in the Finance Act 1984 the situation changed. For unincorporated businesses, the change was for the worse.

I hope that the Minister will study what is happening in other countries, particularly in Europe. I appreciate that he will be going to America. I hope that he will not be away for too long, and I look forward to hearing his comments when he returns from the United States.

The hon. Member for Hammersmith (Mr. Soley) was right to say that the small business sector cannot be considered in isolation from the rest of the economy. A recently produced CBI report dealt with a study into the characteristics of the economic behaviour of small businesses in the period 1979 to 1985. The report, produced in May 1985, stated:

"By far the most important factor limiting capital expenditure for smaller firms over the period has been uncertainty about demand. On average, 57 per cent. of firms specified this factor, whereas for larger firms the average was 45 per cent., producing a 25 per cent. higher level for smaller firms."

If the Minister is doing his job assiduously, he should be making strong representations to the Treasury about that, because capital expenditure by small businesses is as important a factor as it is for firms in other parts of the economy.

If we examine the way in which interest rates and exchange rates have been changing—there has been a 25 per cent. change in the latter since January of this year—and in particular the way in which local authority rates in Scotland have increased, we see the need to study the problem of the lack of demand as it affects the small business sector.

I must make a parochial point in view of the fact that much of what has been said in the debate has been about the home counties and the south. An honourable exception to that was the speech of the right hon. Member for Western Isles (Mr. Stewart), who made a useful contribution.

All the schemes of which we are speaking—the business expansion scheme particularly springs to mind—have in the past been too biased in favour of businesses in the south as opposed to those in the northern part of the country. That has been partly due to the fact that savings institutions are centralised in London. The Trustee Savings Bank Bill, which is languishing deep in the recesses of the other place, could have provided a good opportunity to bring about more decentralised financing of businesses.

Hon. Members have not yet referred to rural areas, such as the Scottish Borders, which have a different perspective. They contain small communities which do not talk in terms of business expansion schemes. The majority of small businesses in the Borders area would not know what £500,000 looks like, although, of course, the area includes well-established knitwear and hosiery industries which compete internationally.

There is a way forward, and I have considered it in some detail in relation to my constituency. We should give the local talent — for example, bank managers, accountants—*[Interruption.]* That talent as well, if that is the way in which hon. Members' minds are working. I am endeavouring to treat the subject with the seriousness that it deserves. We should instil in the minds of the key people in the community—bank managers, accountants, solicitors and directors of local colleges of education—the information and knowledge that is floating about in places such as London and the offices of the Department of Trade and Industry. If we did that, things would begin to sizzle. If bank managers were given the authority and support that they need to provide local money, unincorporated business would start to sing in a way that it has not been singing so far.

Unincorporated businesses have lost out in a big way, especially through the Finance Act 1984. They lost the advantage of first-year capital allowances and stock relief without being given any compensating reduction in tax rates. The CBI document has suggested a number of ways to lessen the effects of the prejudice from which unincorporated businesses have suffered. Each of the three suggestions in the CBI's paper merits examination, although they may not all be acceptable in their present form. The suggestion that only withdrawals from a business should be taxed at higher than the basic tax rate should be seriously considered. The Government should also consider the suggestion that there should be a flat rate percentage deduction from profits to compensate for the

[Mr. Archy Kirkwood]

loss of plant and machinery capital allowances. If we allowed an investment reserve in calculating taxable profits, future investment could be charged against that reserve. If the reserve was not used within a certain period, it would come back into taxable profits.

The Bolton report in 1971 was a seminal piece of work. I do not believe that Governments of either persuasion have given sufficient weight to the conclusions that were reached in that report. We could gain a great deal from studying the content of that committee's report. Deregulation is one aspect that greatly worries me. The Government may have difficulty in getting support for their changes in this direction. To a certain extent, I favour deregulation, and I believe that some of the planning and licensing regulations that the Government have inherited from the past could be abolished to advantage. The Minister in the other place who is examining this matter must be particularly careful when considering the employment protection that is available to employees of small businesses and the health and safety requirements.

I am greatly concerned about the thrust of the Government's policy. The proposal to abolish the wages councils is not an especially good idea and the changes announced in the Budget with respect to unfair dismissal procedures is a retrograde step. The Government's moves with respect to maternity rights, health and safety regulations and statutory sick pay regulations are not sensible and will cause small business more trouble than they are worth. As if that were not enough, the Secretary of State for Social Services is asking small businesses to pay family credits under the scheme that replaces the family income supplement scheme. I believe that, when small business finds out what is involved, deputations will come to see the right hon. Gentleman and he will receive the odd letter on the proposals. There will be the odd flea in his ear about the combined effect of these measures.

I hope that there will be an early response to the Binder Hamlyn report on the discounts issue. Large retailers have acquired monopolies in a number of industries, thereby prejudicing our smaller businesses. [HON. MEMBERS: "Look who is here."] I did not see the hon. Member for Hove (Mr. Sainsbury), or I would have said that louder. There is a big problem in the way large businesses take a long time to pay their debts to smaller businesses. I have experience of that in my constituency. I believe that the Keith committee's proposals for enforcement of VAT, which have been considered by the Standing Committee on the Finance Bill, will cause great heartache to some businesses until the new procedures are established.

The hon. Member for Surry, South-West made an important point about training. I believe that the developments in distance learning, with local help being available through local authorities and local colleges of education, is a positive and helpful move. I am a little nervous about the influence that the MSC is beginning to accumulate. That body is not directly responsible to any elected authority and large sums of money are available to it. I am worried about the MSC getting out of control.

It is important for the small business sector to get a fair share of defence contracts and central and local government expenditure generally. Nothing would do more for areas such as the Scottish Borders than if local authorities were given more money to spend on such things as housing and improvement grants. If the Government deployed their spending power to the advantage of the small business sector, that would do nothing but good.

If the Under-Secretary of State succeeds in making inroads into some of the problems that we have been discussing, the black economy may be more containable. The black economy is flourishing because of the difficulties to which hon. Members have referred. The alliance recognises the work that the Under-Secretary of State is trying to do. We believe that a small business sector has a vital role to play as the sub-contractor and supplier of essential industries. It is vital that we do everything that we can to make it easy for small businesses to prosper.

12.8 pm

Mr. Lewis Stevens (Nuneaton): Like the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood), I welcome the fact that the debate has been mainly constructive. Hon. Members have been considering the problem of and the work that has been done with small firms. My hon. Friend the Minister explained the initiatives and moves that have been and are being taken by the Government. I welcome them. I was encouraged by the support that the right hon. Member for Swansea, West (Mr. Williams) gave to the measures, and I pay tribute to the work that he did.

In Warwickshire and Nuneaton there has been a bi-partisan approach towards trying to improve the lot of small firms. I pay tribute to the Warwickshire enterprise agency which, in the two years that it has been set up, has done a magnificent job, particularly in helping the enterprise allowance scheme. People who want to set up a business and those in existing businesses receive excellent advice from the enterprise agency.

Many enterprise agencies are well supported by local authorities of different political persuasions. I am worried by the fact that sponsorship often comes from large national companies—Marks and Spencer, some of the banks and so on. The welcome large increase in enterprise agencies must be applauded, and I do that. However, some of the smaller enterprise agencies must be advised about seeking sponsorship from sources other than those large national organisations. We can no more look to those large organisations than we can to Government to sponsor every enterprise agency. We may need to consider that problem in the future.

In Warwickshire, the county council and the local councils have been providing small units. Had my hon. Friend the Member for Norwich, South (Mr. Powley) not been present, a little of what I am about to say might have been considered heretical. Those local authorities have built small units which have been taken up. That is the important point. We may want to build more. Not every council is a housing authority and not every council has a large amount of capital floating about.

I ask my hon. Friend the Minister to speak to the Ministers in the Department of the Environment about some of the effects of the reductions in the amounts of capital receipts that can be spent. When local authorities are considering building small units to help small firms, there could perhaps be some exemption or reduction of the 30 per cent. limit on capital receipts. That would encourage the building of small units.

My hon. Friend said that the information and training available must be appropriate to the needs of small

business. That is important. Many of the courses run by technical colleges, polytechnics and the MSC and privately are general. Organisations may have specific needs. They may be manufacturing a complex product which involves complicated processes — supplies and machinery. They may require only simple information on marketing but complicated information on finance. It is important that courses and information are broken down into simple units.

It has been said that we need multi-discipline people with a wide range of knowledge who can do many jobs. That is important. They must be able to assimilate information, buy they can only do that to a limited extent in subjects of which they know little. Simple information must be provided on marketing and so on. That becomes more important for the one-man business.

My hon. Friend said that the banks are still the greatest lenders of money to small business. That also causes problems. Banks may not appreciate the risks involved in small manufacturing businesses. They have many difficulties that do not apply to many other small firms. They may be sub-contractors and have to complete orders before receiving any money. Supplying big businesses can be difficult because they often do not pay on time. If a bank expects repayment of X amount per month, it will not get it without causing cash flow problems for the small company. Banks must have a wider understanding of the problems. It would be a tremendous help if banks had a greater understanding of how small businesses obtained their money. They could then take the actions that would help small businesses.

"Burdens on Business" has been mentioned as being a helpful document. Forms have been mentioned. I should perhaps declare an interest. I sometimes lecture at the Civil Service college. I wish to pay tribute to the work that has been done in the Civil Service. An initiative was taken two or three years ago to improve forms in the Civil Service. A great deal of work is being done by forms units which have been set up in almost every department. That has benefited the public and to some extent small business. That work is continuing, and many benefits will come from it. I hope that the Government's initiative and their support will continue and will be given a fairly high profile.

Mr. Rowe: This seems a wonderful opportunity to mention the fact that a recent experiment in Bristol has shown that if we get the claimants or the business men, who want the money, to play a part in designing forms, we obtain an extraordinarily good result. That may add to my hon. Friend's already considerable wisdom.

Mr. Stevens: My hon. Friend makes a good point. The people at the sharp end who use the forms probably have a tremendous contribution to make. A great deal needs to be done to simplify forms.

Advice available to small businesses is good, but a great deal needs to be done to simplify it so that people can understand it readily. Some firms are still a little frightened about going to the Department of Trade and Industry because they are not sure that they will understand all the information. Such firms are still hesitant about taking the action that they should. A great deal needs to be done to encourage small firms to seek the information that is available and work on it.

There are other burdens. Fire and health and safety regulations are difficult for small firms to understand. Sometimes there seems no sense in the enforcement of such regulations. Although we appreciate the need for fire precautions, some small firms do not see the sense in some of them. Some reform of the regulations would be welcome. However, that must be carefully monitored because there should be no risk to the health or safety of people at work.

I am still a supporter of the wages councils. I do not want them to be abolished. People must know what is going on and be able to work on it. If information on wages is not easy to understand, there will be difficulties. My main plea to my hon. Friend is that we continue to improve the position and take action in line with that suggested in "Burdens on Business". Let us do that quickly, but we must ensure that people can understand everything easily.

12.20 pm

Mr. Chris Smith (Islington, South and Finsbury): When I first decided to ask to speak in today's debate I intended to spend the whole of my time talking about "Burdens on Business" — the Government's document, properly encased in covers of a deep blue—which sets out in many ways the Government's central philosophy on small firms. I shall refer briefly to it because other matters have since arisen to which I wish to address my remarks.

"Burdens on Business" encapsulates clearly the difference of approach between the two sides of the House. In it the Government identify the removal of controls and the relaxation of standards as the major way forward for the future development of small businesses. There is something to be said for streamlining, simplifying and relaxing some unnecessary controls, but the Government go wrong in a major way in a series of recommendations to relax the safeguards for employees in small firms. I shall fight stongly to protect those safeguards, which exist to protect employees.

The proposal on page 6 of "Burdens on Business" about unfair dismissal cases, for example, suggests that cash deposits for some or all complainants, to be refunded or forfeited at the discretion of the industrial tribunal, be paid before an action can be taken to a tribunal. If the Government are seriously suggesting that individual employees dismissed without much money to their name should be forced to pay a cash deposit before they can seek redress from a tribunal, they are suggesting charging for the process of obtaining justice. I cannot possibly condone or approve of that. I hope that that will be one of the items in "Burdens on Business" about which the Government will have serious second thoughts before they propose any legislation.

The philosophy of restructuring the system of safeguards and relaxing the system of controls is to a large extent unnecessary. Page 31 of "Burdens on Business" shows that employment legislation is mentioned by only 5 per cent. of the businesses consulted in unprompted questioning as one of the major burdens and restrictions on them. Yet, throughout the document, the Government give employment legislation as a major factor harming the development of small businesses. Employment legislation rightly exists to protect the interests of employees, and it must continue to exist to do that.

The difference of approach is obvious. The Government seek to relax what they see as unnecessary controls, which the Opposition see as necessary safeguards. As an alternative approach to the development of prosperity in small firms and businesses—both sides

[Mr. Chris Smith]

of the House wish to see and encourage that—we would argue for the proper economic climate in which those firms can prosper. To prosper in a proper economic climate those firms need seed funding, which must often come from the public sector rather than the private sector.

In my constituency in the heart of London we have seen considerable activity during the past three years by the Greater London enterprise board. The work of GLEB seems to be a good model of what can be achieved to promote employment and to develop small firms and businesses. Many, but not all, of the businesses are co-operatives. The cost to GLEB of providing jobs is about £4,500 per job. That is GLEB's investment in economic activity in London. We should set that £4,500 per job against the cost of keeping a worker on the dole. If that is taken together with the money paid in unemployment benefit, and lost income tax and other effects on the Government purse, the sum works out at about £6,000 a year. It would pay the Government to set up other agencies such as GLEB to promote employment, because it would save them money. It costs more to keep workers on the dole than to use agencies such as GLEB to promote industry, employment and small firms. However, there is a key difference in philosophy. When local authorities other than the Greater London council have approached the Government or written to the Prime Minister saying, "Look, we have the ability to create jobs more cheaply than it costs you, the Government, to keep people on the dole," the Government have answered that they are not prepared to supply the money.

Mr. Cash: Does the hon. Gentleman agree that, under the community programme and the youth training scheme, the same sort of opportunities are open to people to be employed as are available through the enterprise boards, at an amount less than that paid to those on the dole? Does he not want to encourage that?

Mr. Smith: I cannot agree with the hon. Gentleman. The work available under the so-called youth training scheme, which in far too many cases does not provide good training, and under the community programme is temporary. It does not provide a permanent job for the employee, nor is it a permanently created enterprise for a locality. There is a profound difference between the temporary fire-fighting exercise, in which the Government are engaged in YTS and the community programme, and the genuine long-term creation of enterprise, employment and long-term jobs, in which enterprise boards throughout the country are engaged.

Mr. Rowe: I am interested in the hon. Gentleman's remark that GLEB is creating jobs at a cost of about £4,000 each. The information I have is that the approved revenue grants to GLEB are about £23,500,000, its capital loans are about £14 million, and that most of its property purchases are done on GLC mortgages. As I understand that the total number of jobs created so far is slightly fewer than 2,000, it appears that we are looking at a different set of figures.

Mr. Smith: I am afraid that I cannot agree with the hon. Gentleman. I shall come to the detailed figures for GLEB's funding in a moment, but the net cost — obviously one must take into account the return on investment—works out at about £4,500 per job.

A year or so ago, my hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson) asked what the average cost had been of creating jobs under the Government's enterprise zone policy. He was told that it was £18,000 per job. Enterprise zones, of course, are supposed to involve deregulation, derestriction and other factors which form the kernel of the Government's philosopy, as set out in "Burdens on Business". Thus, on a pure value-for-money basis, the work carried out by GLEB clearly bears comparison with the Government's stated policies.

Hon. Members may know that GLEB is largely funded by means of revenue grant from the GLC. Under the terms of the paving Bill that was dragooned through the House last year, the GLC applied to the Secretary of State for the Environment for about £20 million of funding in this financial year. It sought approval to make that money available to GLEB. However, the right hon. Gentleman refused to allow the GLC to make £20 million available, and said that he would let the GLC make only £4·9 million available for the first three months of this year.

Consequently, all the new projects that GLEB was considering funding have had to be put on ice. This year, GLEB has been unable to support any new projects. At a meeting only two days ago with representatives of the Department of the Environment, GLEB was again refused permission to support any new enterprises or initiatives. But it was said that if a firm structure of accountability to the boroughs could be agreed and if documents could be fully prepared and signed, money might be made available. Although GLEB and the GLC both gave firm guarantees to the Government that they were prepared to enter into such an arrangement with the London boroughs, because of the possible abolition of the GLC the Government would not allow GLEB to receive any further funds from the GLC at this stage for the promotion of new initiatives.

About 20 new projects and 1,000 new jobs are at stake. Having identified and assessed those projects, GLEB is prepared to put money into them, but is unable to do so because of the Government's decision. Those 1,000 jobs for Londoners are being held up by the Government's deliberate decision. That is the reality of the Government's commitment to small firms in London. Despite all the fine words that we have heard today, that is the reality for small firms that are promoted by GLEB with GLC money.

However, the Government have very generously said that there might be some room for manoeuvre on projects that are already supported by GLEB, but that possibly need new funding. They have said that they might be prepared to look at such projects, and to allow the GLC to give some money. The total proposed by the GLC is £4 million. I hope that the Minister will let us know what the Government propose to allow. He should bear in mind that there are other projects at stake, including the much-publicised electricity-powered bicycle initiative, which already has orders from round the world. It could take off, and is waiting only for the Government's decision.

So for GLEB has done some very good work in order to create and protect jobs in London, but the Government's record in the past few weeks has not been good. I hope that Ministers at the Department of Trade and Industry will use all their influence with their compatriots at the Department of the Environment, who have the task, under the paving Bill, of scrutinising money that goes from the GLC to GLEB. I hope that Ministers will use all their power and

influence to ensure that the money that the GLC wants to make available to GLEB, which could create jobs and help proven projects to get off the ground, is used to that end.

If the Government are as concerned about small businesses and the co-operatives as they say, they could overcome their ideological objections to the Greater London enterprise board and the GLC. The Government should say, "Yes, we are prepared to support the creation of good jobs in good enterprises. We are prepared to allow the money to be used to create jobs and to support small firms in London." Those jobs and enterprises are desperately needed.

12.35 pm

Mr. John Browne (Winchester): I apologise for my croaking voice, but I have a sore throat and I shall make only a brief speech.

I welcome the debate because it gives us the opportunity to describe some successes of the Government's economic policy which have been proved in the market place.

Between 1945 and 1979 we experienced a period of unprecedented stagnation in our industry. Our share of world markets declined, profits declined, we nationalised industries and protected markets. Unemployment started to rise. That trend was accompanied by a significant lack of new business—in short, a lack of enterprise.

We were the leaders in the first two agriculture revolutions and of the heavy and light industrial revolutions, but we appear to shun the technological revolution.

Since 1979 a new wave and spirit of enterprise has emerged and it is affecting our country now. According to what is happening in my constituency and many others, Britain is on the move. That is beginning to show in the statistics.

Investment surveys, the CBI survey and yesterday's announcement about British Telecom profits are initial signs of the fact that British industry is on the move and doing much more international business. The Government have dramatically improved the climate for enterprise. What is more, they have improved the climate for capital investment by treating capital better. They have also encouraged the country, rather than to shun technology, to embrace it.

I pay tribute to the Minister—I wish him luck in his current activity—and to the Secretary of State and the Prime Minister for the great effort that they have made. We needed a tremendous change of attitude, not only in Government, but in the Civil Service and in Britain as a whole. True successes have emerged and much has been achieved but, as the Minister said, much more has yet to be done.

New and small businesses are key to the achievement of a technological revolution, to new ideas, new products and to new sources of high profit margins. They are the key to the creation of new jobs. About 66 per cent. of all new jobs are created by companies employing fewer than 200 people and about one in four of our working population is now employed in such companies. In the United States about 29 million jobs have been created by new and small businesses in the past five years. One is criticised sometimes for describing what happens in the United States, but it is an empirical example of the kind of results we can expect down the road.

I shall now refer to some specific actions taken by the Government.

The Government have encouraged an environment for enterprise and for treating capital well. That in itself is a great success. We must now go to the second phase, which involves not just changing attitudes but establishing new and good habits.

Secondly, I address myself to capital. I entirely support the loan guarantee scheme, but it is limited. Indeed, all debt is limited. The key financial factor in the funding of venture capital and new business is equity capital. There is a huge difference between debt and equity. I took up that theme when introducing the Wilson report in January 1981, but I shall not go into the details because of the lack of time.

Government policy has encouraged a greater flow of equity, which is the key part of the funding of new businesses. The Government's policy on this front includes the lowering of tax rates and changing capital transfer tax rules. This has led to more venture capital being in the hands of those who are likely to invest it in new and small businesses. This capital will be directed no longer to the great pension funds, commercial banking institutions and building societies or into the hands of Government, which in turn tend to buy Government gilt-edged securities or invest exclusively in the shares of major corporations. Individuals are the best venture capitalists.

We have seen the start of the unlisted securities market. Legislation has been placed on the statute book to allow enhanced employee stock ownership. Even more important than that in many ways is the legislation that the Government have placed on the statute book to allow companies to buy their own shares in the form of Treasury stock. This means that when an entrepreneur starts his business, he will not be so worried at the beginning about selling his own equity and yielding a percentage of the company to venture capitalists. He will know that he will be able to buy shares back into the company from the market place at a later date.

I support the business expansion scheme. It is yet to be proved whether it is entirely successful, but my gut feeling is that it is. There is a problem in obtaining statistics from new and small businesses. The supplying of statistics places another burden on those who have to complete the necessary forms. I am sure that the scheme will prove to be a success, but it should be extended much further and simplified. For instance, the five-year lock-up period is too long and should be reduced to three years. Much closer family relations to the entrepreneur should be allowed to qualify within the scheme because they are the very people who know the entrepreneur. The essence of venture capital is in backing individual managers and entrepreneurs.

Capital gains tax is a disincentive to invest. I believe that it yields only about 0·25 per cent. of Government revenues. Its abolition is long overdue. Contrary to the view expressed by the right hon. Member for Swansea, West (Mr. Williams), who advised caution, the Government should advance boldly in extending the BES and in abolishing capital gains tax.

Much has been done to improve planning. Circulars 16 and 22 of 1984 and circular 1/85 were excellent but there remains an enormous problem in interpretation at implementation level. There is much work to do in encouraging local authorities to be more sympathetic in their attitudes and to interpret sympathetically

[Mr. John Browne]

Government circulars on behalf of small firms. We must ensure that more work is done to change the attitudes of some enforcement officers. We must encourage them to adopt a more positive approach to small businesses and new businesses when it comes to planning issues and the interpretation of regulations.

I shall quote briefly from a letter of 10 June that I received from the Department of the Environment. It reads:

"As a result of a fundamental review new building regulations are due to come into force by the end of the year. These will be simpler and more flexible in form, giving wider exemptions and simplified procedures for minor works."

That is very good news.

My hon. Friend the Member for Norwich, South (Mr. Powley) commented on education. Much has been done to try to orientate those who are involved at the skills level. The Government have endeavoured to ensure that the education system responds to the needs of industry. There has been an effort to educate and orientate those involved in marketing to recognise the product mix of design, quality and delivery, and so on, instead of selling on price alone.

However, there remain two glaring omissions from the curricula in our schools—typing and accounting. I have tried in vain for over five years to get the Secretary of State for Education and Science to incorporate those two subjects into the curricula of state schools. Typing is the bridge between man and the modern machine, and particularly between man and the computer, which is probably his most valuable business tool. A basic knowledge of accounting gives the entrepreneur a very good picture of whether his business is likely to be profitable and where shortfalls are likely to occur. In addition, he does not have to hire a full-time accountant —which is very expensive—until much later in the business start-up phase.

The Minister's report entitled "Burdens on Business" is excellent. It is a great step forward and a tribute to him. I have the privilege of being the chairman of the Conservative Back Bench smaller businesses committee. Under my two predecessors, John Loveridge and my hon. Friend the Member for Luton, South (Mr. Bright), the committee had a significant influence on Government policy on new and smaller businesses. The committee has considered the Minister's report, and I pay tribute to Mr. Murray Charlton, who gave us great assistance. In welcoming the report, we have a few suggestions to make.

We feel that it is not sufficient to identify areas where burdens can be removed. Positive action is needed, first, to remove existing burdens and, secondly, to establish a procedure so that subsequent legislation can be scrutinised prior to implementation, to avoid the reintroduction of unnecessary burdens on small businesses. I therefore support the suggestion that a Select Committee should be set up to monitor legislation from the point of view of new and small businesses.

One of our final conclusions is our concern that it may prove difficult to relax even the most widely recognised and accepted hindrance by persuasion alone. The report, in chapters 5 and 6, discusses what needs to be done to cut the burden, but none of the steps summarised is other than an exhortation to regulatory agencies or on the availability of better information for business men. Although both are good news, we feel that there should be some co-ordinated legislative action to enable the interests of small business men to be safeguarded and promoted. In this respect may I draw the attention of the House to early-day motion 717, signed so far by 115 Members, which urges each Government Department to report to Parliament exactly what it has done in trying to reduce burdens in favour of new and small businesses.

Here I come to the question of discrimination. The successful nurturing of this area of new and smaller businesses is the key to the technological revolution and to our survival as a developed nation. We have 30 years of backlog—30 years of an absence in the creation of new and small businesses—to make up. I urge the Government to make haste and to be bold. I urge them not to hesitate in discriminating in favour of new and small businesses.

We already discriminate in many other areas of life. We discriminate in favour of the young, the small and the new, in regard to animals and raising plants. Why not discriminate in favour of the sowing and growing of new seed for businesses? One such discrimination could relate to the time qualifications for the operation of the unfair dismissal rules. Such discrimination should be used as the cutting edge or pilot scheme for the general business environment.

I thank the Minister and the Government for their very considerable efforts, often against stiff resistance. I agree that much more has to be done. I urge the Minister to move forward, not with caution but boldly, to change attitudes and to instil new habits. I emphasise the need for co-ordination of Government activity, to show by example that the Government are prepared to take risks and to be enterprising in boosting this essential part of our economy.

12.49 pm

Mr. Stephen Ross (Isle of Wight): I welcome the Minister for Information Technology to the Government Front Bench. I look forward to seeing him in my constituency shortly.

I always ask the industrialists I meet whether they are optimistic or pessimistic. I have to tell the hon. Member for Winchester (Mr. Browne) that neither they nor I are as optimistic as the hon. Gentleman appears to be. The main employer on the Isle of Wight is Westlands, which employs 1,500 of my constituents, so I am feeling rather worried today.

I think that I can fairly claim to have played a major role in establishing the enterprise agency in my constituency. I have had the honour to chair it since it was set up four years ago. Therefore, I know a little about the problems of small businesses. Indeed, I am a small business man. I have three small retail units and I am the immediate landlord of a covered market, which cost me a great deal of money and comprises a bakery and 11 other units. I also have two small industrialists as tenants.

The Minister responsible for small businesses has visited my constituency twice and knows something of our problems and of our efforts to overcome them. We have an unemployment rate of over 17 per cent., in the winter, although it goes down a little during the summer. We are grateful for the Minister's interest.

Our enterprise agency has played a constructive role in helping small firms to get established and to overcome various crises. However, I am worried about the future financing of the agency.

The agency employs a director, a competent secretary and three girls, funded by the Manpower Services Commission, who run the databank. They change every year; we have to find girls who have been unemployed for over six months. The databank is being used increasingly by local industries who pay for the service, but our annual budget is less than £30,000. We may be able to continue the funding for another year, but it is doubtful whether it will go on for two years.

The agency project started when someone actually read a speech that I made in the House. Shell and Lloyds Bank became our founder backers. They gave us a guarantee of backing for three years and have fully honoured that undertaking. Indeed, they have gone on for longer than they originally intended, but, not unnaturally, they and some of the bigger firms on the island feel that we should be looking elsewhere for our finances or should become self-supporting.

The board of the agency discussed the problem and agreed that it would be unwise for the agency to trade on its own account. That would be one way of financing the agency, but all sorts of complications would arise.

I have written letters galore to fellow surveyors and estate agents, who sell houses to people who move to the Isle of Wight, but we have had little help from that source. However, I pay tribute to local accountants and members of the Law Society who are contributing to our funding. Unfortunately, it is not nearly enough to sustain us. Local authority support has been helpful—as the leader of the council, I made sure that it was—but all authorities are in increasing difficulty because of rate penalties.

Tax incentives are helpful, but more is needed. Therefore, my first request is that the small businesses Minister should urge his colleagues, particularly the Chancellor of the Exchequer, to introduce incentives to local people to contribute to our funding. A 50 : 50 scheme would be a good idea. The Government could promise to match locally raised funds, pound for pound. If we raised £5,000, another £5,000 would come from the Government. Alternatively, the shackles should be removed from local government so that councils can do more. However, it is extremely important to keep private sector support and, whatever method of financing is found, we must encourage donations from private companies.

I am convinced that high interest rates have a more crippling effect than anything else on small firms. A firm gets off the ground, but it has three or four years in which to establish itself and is paying interest rates of perhaps 13·5 per cent. or more. It can never reduce its obligations to the bank. Frankly, the guarantee scheme makes matters worse because it merely adds to that rate of interest over a three-year period.

When I was chairman of a small sub-committee of the county council, concerned with employment promotion, we set aside the product of a penny rate — about £150,000 — from which we were able to make grants and loans to small firms in the Isle of Wight if they were in difficulty or wanted new equipment. It was not a question of simply throwing the money at them. Requests had to come through the enterprise agency. They were vetted fully by the treasurer's department and the banks were brought in. If any cause was felt to be worthy of support and the banks could not help, in most cases, we went ahead. The sums involved were quite small — £2,000, £3,000 and perhaps up to £5,000.

We also committed £25,000 a year to the Industrial and Commercial Finance Corporation—what is now known as the three Is, Investors in Industry—to enable it to lend to local firms at subsidised rates of interest. It is at present around 9 per cent. Some dozen firms have been able to benefit from that scheme. It is a very good scheme. It costs us £25,000 a year. We underwrite the lost interest to the three Is. It has greatly helped firms to be able to borrow money at more reasonable rates of interest.

We also have a couple of small groups interested in investing venture capital. However, we find them too demanding. They want absolute certainty before they are prepared to invest. They are not prepared to take risks. I accept that the Isle of Wight is not the safest place in which to invest money. But some ventures which we have considered to be well worth supporting have been turned down. Would-be investors have been too critical in their requirements. The idea has not been a success.

Such countries as Australia, the United States and France all run some sort of subsidised scheme to help small industry. I would positively discriminate in favour of wealth creators. If we were able to introduce some sort of two-tier scheme of interest rates for that purpose it would be an extremely good idea.

We watch the activities of authorities such as the Welsh Development Agency. Almost every night we see on our television screens the invitation, "Come to mid-Wales", and all the glittering offers that go with it. The Highlands and Islands Development Board has produced a booklet. Even Northern Ireland has its Local Enterprise Development Unit to assist small industries. I am extremely envious of what they have available to them. I do not begrudge them such facilities, and I wish them all success. However, the Isle of Wight has the highest unemployment level in the south of England, and we have been refused assisted area status. That was a major blow because it could have provided the sort of help that we need. Instead, firms in my constituency are invited to move to mid-Wales and other places, and it is heartbreaking. The people running those firms come to me as their Member of Parliament saying, "What have you to offer? I can move there and do not have to cross the Solent every time I want to bring in or take out goods. I am being offered some glittering prizes to go. What are you prepared to do about it?" We simply cannot match those offers.

Mr. Williams: I accept what the hon. Gentleman says about Wales generally, but I remind him that mid-Wales has had its assisted area status withdrawn by the Government and has nothing to offer. Indeed, the hon. Gentleman's compatriots in that part of Wales are at present promising virtually everything. I gather that the hon. Gentleman does not agree with his own party's platform.

Mr. Ross: I have seen films about the Welsh Development Agency within the last couple of months. Incentives are still available. But all that I am saying is that to an area of high unemployment it is extremely upsetting when a train arrives, parks itself in a siding at Portsmouth town station and telexes small firms on the Isle of Wight inviting them to cross the Solent to see what is on offer.

I am not criticising the right hon. Member for Swansea, West (Mr. Williams) or any of my colleagues. I merely say that we have not got our regional assistance programme

[Mr. Ross]

right. We should be discriminating positively in favour of people who are creating employment and wealth wherever they are, whether they are in the Western Isles, mid-Wales or the Isle of Wight. That should be the policy.

We are grateful to the Development Commission, which has not yet been mentioned in the debate. We are a rural development area in its terms, and it has been extremely helpful to the Council for Small Industries in Rural Areas and to English Industrial Estates. In co-operation with the county council, we have built a whole host of small units. It is about to embark on a big one in a former boatyard. I put on record how grateful we are to the chairman of the Development Commission and the people who work for COSIRA, and for what they have been able to do for us, even though it is limited.

The local authority also has joint schemes with entrepreneurs. We have revitalised the old J. S. White's shipyard, which has some 12·5 acres, and created a substantial number of jobs there. However, we cannot match the money that is on offer in assisted areas.

On tourism, I am afraid that we look with great envy to north Wales and places such as Rhyl, with its wonderful sun centre, which has had about £1 million spent on it from the EEC regional fund. Had we been an assisted area, we would have qualified for help out of the same fund. We have had no new hotel since the war, although there have been modernisation programmes. Access to the fund would have helped us enormously.

Money has been spent through local authorities more wisely, and has shown a better return to the taxpayer, than some of the MSC schemes, grateful as we are for those. What has come from the local authority has shown a decent return to the taxpayer. We have invested £300,000 in our sector of the old shipyard and are in receipt of rental income which exceeds £55,000, which is not a bad return. I wish that the Government would have more trust in local authorities and their efforts to help small firms and create jobs and wealth. Our best hope of economic recovery lies with local initiatives, not central Government direction.

I have to confess failure, after several attempts, to set up co-operatives. However, the tide may be about to turn, with a small bakery in which my son has an interest. Some six youngsters in their 20s, and one man of 50-odd, have come together and taken over a bakery, which will form the first co-operative of any size on the island, despite a number of attempts. The reluctance of employees to sink their redundancy money in a risky enterprise and to accept managerial responsibility is usually the stumbling point. Perhaps the next generation, in whom I have great faith, will be prepared to take greater risks. We must hope so, and I believe that they will do it.

I end where I began, with loans and interest rates. I have no complaints about banks. Most local managers are extremely helpful—I have to say that because I owe them so much money myself. However, while money remains so expensive, small firms face enormous problems often with growing overdrafts and with no end to the problem in sight. The sooner that we can get interest rates down to deal with that problem, the better it will be for all of us.

1.3 pm

Mr. Michael Grylls (Surrey, North-West): I am happy to follow the hon. Member for Isle of Wight (Mr. Ross), not only because of the content of his speech but because I am a constituent of his. I can confirm that, as he rightly said, it is an island bristling with small businesses, but with a great many problems. However, I do not want to go down that path because it would be repetitious.

I shall speak about the point made by my hon. Friend the Under-Secretary about procurement. It may be a happy coincidence, but my hon. Friend the Minister for Information Technology is now on the Front Bench. In his previous incarnation, he was Minister of State for Defence Procurement. He and my right hon. Friend the Secretary of State played a central role in moving towards much greater competition in procurement policies. I pay tribute to what they both did.

It was nothing less than a scandal when we came into office to find that 80 per cent of the contracts for the Ministry of Defence went out with no competition at all, and no tenders. I am sure that the right hon. Member for Swansea, West (Mr. Williams) will agree, although this may be an odd thing for a Tory to say, that this was a scandal and many large firms had their noses in the trough, without much competition. There has been an improvement. I understand that the figure of 80 per cent. is dropping quite steeply. That is where we should start. It provides the best opportunity for small firms.

The approach of hon. Members is sometimes wrong. The hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) referred to small firms being provided with a fair opportunity to gain Government contracts. I quibble over the word "fair". We are not referring to fairness. We need to be practical. We shall get value for money if small firms are involved in Government procurement contracts. That is a more hard-headed and less emotional approach.

I was responsible recently, with my hon. Friend the Minister of State for Defence Procurement, for sponsoring a four-man mission, led by Mr. William Poeton, to the United States to study defence procurement and the lessons which could be learned. I received the report of those experts 24 hours ago, and it makes interesting reading. It homes in upon competition, break-out programmes and getting away from the British system—still very deeply ingrained in the Ministry of Defence and in the other large areas of Government purchasing—of choosing a big contractor and allowing him to get on with it.

There is sense in that approach in terms of manpower economy, for he is made responsible for putting everything together and choosing whether or not to sub-contract part of the main contract. However, the Americans have discovered that this is not always the most efficient method, providing the best value for money. They have devised more competitive purchasing methods by breaking out a contract and examining what parts of it can be offered to small and medium-sized firms. The procurement officers are involved in this task. It is not left just to big firms to reach a decision. If it is a suitable contract, one breaks it out and then decides whether or not to set aside part of it for competitive tender by small firms only.

Although there ought to be competitive tenders, small and medium-sized firms should not always be made to compete against the giants. There must be competition, but for part of the business firms ought to be able to compete against others of a similar size. It may be thought that I have fallen into the trap of becoming emotional and

wanting to be kind to small firms. That is not so; but if part of the business is set aside for small firms, better value is achieved and more money is saved.

I should like to quote two figures that are relevant. The break-out of programmes was started in 1984 in the United States. Although it is only a limited programme, $200 million was saved in the first year, and in the first quarter of this year $50 million was saved. Big savings can be made if contracts are divided up and small firms are encouraged to compete for tenders. The effect will be beneficial. First, money will be saved. Secondly, more of the smaller and medium-sized firms will be involved as prime contractors, not always as sub-contractors. If a small manufacturer is to be innovative, he cannot always be left at one remove from the purchaser. He must be involved in innovation and he must be in direct contact with the customer, whichever Government Department it may be.

There seem to be some lessons for us there. The question—it may be too early to ask it; the position will have to be assessed by the Government—is whether we could transplant that American idea into the British system. I may be thinking pessimistically, but perhaps our system, coupled with the Government's drive to reduce the Civil Service, is working against that type of idea. We must be flexible, and I agree that we must reduce the overall size of the Civil Service. However, we could allow for a small expansion.

We must remember that the policies which I have described have been implemented in the United States by 150 civil servants. Therefore, we are speaking of very small numbers. That total could be divided by four or five if the idea were adopted in Britain. The savings would not only pay for the additional staff but produce the considerable figures to which I have referred.

A question mark must remain over whether the Government are prepared to be flexible enough in their Civil Service policies to allow for a modest expansion to carry out such a programme. I cannot answer that. Only the Government can, and I agree that it needs thinking about.

I have another pessimistic thought in wondering whether Whitehall, the Civil Service, the Government machine and perhaps the big firms would be prepared to change course and take that route. We have had 40 years of taking the wrong route—of encouraging bigness and economies of scale—whereas the Americans have gone in the opposite direction. The whole basis of their philosophy, in seeking to encourage smaller firms, dates back to the 1940s when they geared up for the war effort. They saw that they could never produce enough armaments by relying on the big firms alone. They realised that only by gearing up the nation's small and medium-sized industries could America achieve the required rate of armament production to fight the war.

The philosophy of a practical need to get a job done was, therefore, born during the war. Now we have a different practical need — to make the British private enterprise system more efficient, more competitive and therefore more able to create the jobs and solve the problems to which the hon. Member for the Isle of Wight and others have referred.

That is a national need, but it means—this is why I am pessimistic—a dramatic change in attitudes on the part of all of us. It involves our saying that we shall make an effort to act somewhat differently and to move away from what we have been doing in the past.

Two years ago a key official from the SDA in Washington came to a hearing that we staged in Edinburgh, which I chaired. That young man, addressing an invited audience, declared, "There is no free lunch for the small business man." That remark stuck in my mind. It is true. There is no free lunch, and there should not be a free lunch for him. He should be more efficient and innovative to enable him, in terms of Government procurement, to deliver better value for money.

The Government have that challenge. Will they accept it? The report of the private mission may be a help in changing attitudes. The basis of it runs on the same lines as the Government are following—value for money and making the private enterprise system more efficient—so it should help to lubricate the wheels.

The Minister for Information Technology (Mr. Geoffrey Pattie): My hon. Friend may be aware, in respect of the small business innovation research scheme which is operated in the United States, that an official from my Department went on the mission that he described. My Department is looking at the matter very closely indeed as a possible way forward.

Mr. Grylls: That is very encouraging. The innovation research grant is a hard-headed way of giving the minimal amount of money, monitoring progress, and giving no more money if the project does not succeed. If it succeeds, private sector money is brought in—this is not unlike what happens with enterprise agencies—and the project continues. The grant is the seed, and it is a practical and sensible means of delivering the goods. It will achieve what the Government want — greater innovation and value for money. I hope that this scheme will be examined, and that it will begin in the months ahead.

1.15 pm

Mr. Peter Pike (Burnley): I welcome the opportunity to participate in this debate on small businesses, because I recognise their importance to the economy and future employment. Like other hon. Members, I recognise that small businesses will not solve unmployment problems, but that is not to say that they are not important. They have a role to play, and we must ensure that they prosper and are given every possible encouragement.

Like the hon. Member for Isle of Wight (Mr. Ross), I believe that local government should be encouraged by central Government and be given every possible support. Unfortunately, the Conservative party does not have the same confidence in the abilities of local government to deal with problems.

I recognise the problems that can face new industries establishing themselves. One of the first jobs with which I had to deal on being elected to Parliament concerned a small firm. It had moved to a new factory estate which had been established by Burnley borough council, but was unable to obtain from the electricity and gas boards the energy supplies that it needed. Those boards wanted deposits in advance, but the firm was unable to pay them because it was putting all its capital into the equipment and materials needed to begin manufacturing. I am glad to say that I was able to resolve the problem. During the past few weeks, that company won an order from the United States

[Mr. Peter Pike]

to provide more than £1 million-worth of goods. Those two years of growth show what can happen if people have confidence.

Another successful firm in my constituency is AMS Limited, which exports goods all over the world. That firm has won the Queen's award for exports in industry on two successive occasions. That speaks well of the way in which it has developed. I went to that factory last year when it was presented with the Queen's award. The company planned to open an extension within a few months. It pointed out that it was fortunate in that its bankers had been willing to give help during the initial phase. It is a matter not only of the bank to which the small firm goes but of the bank manager. He must have the foresight to appreciate the proposal's merits and the company's prospects. AMS Limited is so successful that, having extended its premises only a year ago, it intends moving to a larger factory. With the assistance of Burnley Borough council, the factory will be sited in the enterprise zone. The number of people that it employs will be increased. It is significant that 23 is the average age of the employees at that factory.

I recognise the family reasons why the Under-Secretary of State has not been able to remain throughout the debate. As I represent the constituency next to his, I know that he is well aware of the number of small firms in Burnley. During the past two years, the hon. Gentleman has visited several firms there. Burnley borough council has always tried to encourage small and large new industries in the town, to attract new jobs and to ensure that existing jobs remain.

The Government often tend to assume that Labour-controlled authorities do not wish to maintain a good relationship with industry. That is not true. The council on which I served was very much aware that the town would die without industry. We maintained a good liaison with industry. Chairmen of key committees and council officers visited different industries to see how the council could assist, what their problems were and what their complaints and praises of the council were. That was successful.

Before I finished as leader of the council and was elected to the House, the council set up a community enterprise committee. That is now beginning to establish itself. I hope that it will do a great deal more successful work. One of the committee's jobs was to ensure that there was co-ordination between the bodies that were available to assist people who were trying to maintain and run a business or to establish a new one. I was worried that there was a proliferation of organisations duplicating the work, and therefore sometimes wasting resources and causing confusion about where people should go for assistance.

It is important to make it as easy as possible for people to know where to go for help if they need it. I have discovered over the past two years that it is not just the small firms that do not know where to go for help. Surprisingly, some of the big industries which find it difficult to obtain Government grants do not know where to go. Many organisations do not kow how to use the system to obtain the assistance to which they are entitled.

I shall tell the House what Lancashire Enterprises Limited and Lancashire county council have done. LEL has made a significant contribution in Lancashire. Lancashire has traditionally been hard hit at times of unemployment because for many years it relied upon the cotton industry, which has been severely reduced, and on mining. Mining has been eliminated in most of Lancashire. The remaining collieries of the Lancashire coalfield are in Merseyside or Greater Manchester. There are no working collieries in the northern part of the county.

Lancashire county council established LEL in 1982 with the object of creating jobs, which is what it has done. In the past three years more than 3,000 people have been given a new start in life through the direction of LEL. More than 2,200 jobs have been created or sustained and over 800 training places supported. The numbers are increasing all the time.

The more important and impressive fact is that, while doing that, LEL makes a profit trying to assist industry and create jobs. In its second year, it returned a trading profit of £288,000 and for the last financial year, which ended on 31 March, it is forecasting a profit of about £700,000.

LEL has been successful in attracting finance from private sources into Lancashire. That is significant. It is not using just local government. Its power to attract private finance shows the confidence of investors. In company investments alone, for every pound that LEL has invested, approximately £2 has come from outside sources. That is encouraging for Lancashire. Since LEL has been established, experience has shown that that locally based agency is fully committed to the people of Lancashire. Its pioneering initiative has achieved national recognition as a model for economic development agencies. Its activities encompass industries ranging from investments in companies to workers' co-operatives, and from industrial property for rent to high technology training.

It is significant that LEL has invested in 29 companies to date, whose activities vary from high technology to crisps. They are all important for business and jobs. It is also noteworthy that the areas that LEL has affected are spread throughout Lancashire. It is not concentrated in one corner or section of the county. LEL has also developed 16 industrial and commercial properties for rent as prime sites in many towns throughout the county. It has also trained 800 jobless school leavers and long-term unemployed through imaginative schemes to equip them with the skills of the 21st century.

While on the subject of the long-term unemployed, it is worth noting that in Lancashire 46 per cent. of those unemployed have been unemployed for more than one year. That is most distressing. I am especially worried about the long-term and young unemployed. LEL has established a unique scheme to help small business men through the Lancashire and Merseyside Fund Company by using funds from LEL and capital from outside institutions to assist their expansion. The normal venture capital for assisting a project is about £100,000.

LEL has created the Lancashire Co-operative Development Agency, which promotes the establishment of working co-operatives. Already 20 workers' co-operatives are in business, thanks to that agency. LEL is also interested in tourism, which is a major and growing industry in Lancashire, not only in the coastal regions and the Lake District, but in my constituency where we have attractive scenery and there is a future in tourism if we tap the resources.

LEL has backed enterprises which are important to Lancashire's future by commissioning wide-ranging reports to help recovery and to investigate problems affecting specific industries, such as engineering, fishing and footwear. That shows that Lancashire is prepared to

act with the help of private capital, and with the county council and local borough councils working together to assist industries, especially small firms and businesses. The positive attitude shown by LEL and Lancashire shows what can and should be done. I hope that the Government will ensure that the maximum support is given to such projects.

1.28 pm

Mr. Andrew Rowe (Mid-Kent): Everything that I say today should be heard against the background that the Government and their succession of energetic small firms Ministers have done a remarkable job, many of the details of which have been spelt out in earlier speeches. I wonder whether more would have been done if their responsibilities had merited Cabinet status. My hon. Friend the Minister has an especially fine reputation for being a good listener, and I am personally sorry that his need to establish a fine reputation as a Christian father has meant that he is not able to be present to listen to my remarks.

The recent announcement of the waiving of restrictive conditions on the allocation of contracts under £10,000 by public purchasing authorities is the latest in a long line of welcome improvements. I hope that we shall continue to see a wide range of them, including some of those suggested by my hon. Friend the Member for Surrey, North-West (Mr. Grylls).

I have no doubt that the Government's heart is in the right place or that Conservative policies operate to help the small firm, in marked contrast to the philosophy and practice of some Labour-controlled authorities. In London, small firms have died, rather like Londoners in the great plague, substantially because of the swingeing increases in rates in Socialist boroughs and the greedy precepting of the GLC.

Yet the GLC has established the Greater London enterprise board, about which we have already heard so much. Indeed, I am sorry that the hon. Member for Islington, South and Finsbury (Mr. Smith) left the Chamber before I had a chance to take up some of his surprising information. I understand that that little venture has so far received in capital and revenue allocations some £75 million of ratepayers' money. However, I must not be unfair. Its aim is to create jobs—jobs which, on the whole, Labour boroughs have destroyed over the years. Indeed, it claims to have created nearly 2,000 jobs. But that is quite expensive as the product of £75 million, although GLEB is no doubt worth it to the profligate Left as a source of endless Labour propaganda, free of all democratic control and set up in such a way that it will live, Labour Members hope, independently and long after the GLC has disappeared.

It came as no surprise to me that there should be a motion on the GLC's agenda next week calling for an inquiry into the operations of GLEB. I urge Labour Members not to feel that the word "enterprise" necessarily guarantees some benevolent machinery.

I am proud of the Government, and if I mention particular areas for further action I do so only to help the Government in that regard. I have three things in mind. The first concerns finance. There is no doubt that it is still very difficult for would-be entrepreneurs or small firms seeking their first expansion to find sums within the £15,000 to £30,000 bracket. Furthermore, it is offensive that time and again such people should be told by the clearing bank managers, "It is a pity you don't want £150,000, as that would be much easier." They mean that it is not cost-effective for such important and busy people to spend their time examining a proposal and suggesting improvements while at the same time facing a real, if relatively tiny, risk. The great institutions, of which branch managers are the local representatives, would rather lend billions of pounds to Mexico than thousands of pounds to Mrs. Smith, and recent history suggests that the banks might benefit from a redefinition of cost-effectiveness.

I am aware that many of the banks are beginning to take that sector seriously, but far too many of their branch managers have very little understanding of the real needs of small firms. It is those very small loans that are the crucial equity gap. It was precisely to fill that gap that the loan guarantee scheme was conceived. I well remember that when I was one of the tiny group from the Small Business Bureau who was trying to sell the idea of the scheme I got more free lunches than I have ever had since, as the banks tried to rubbish it.

That scheme was an essential tool in the cultivation of small firms, and it was of particular value to the middle-aged family man or woman who was prepared to commit all of his or her time and imagination, but not all the children's security. Now the scheme has been quite emasculated by, I am sorry to say, our own Government, and the number of people helped by it has fallen sharply. In the first five months of this year, the number of loans taken out under the loan guarantee scheme fell to 30 per cent. of what it was in the previous period. The worst of the changes recently introduced is the requirement that an applicant must already have fully committed any personal assets, including his home, to secure a conventional term loan or overdraft before a guarantee can be considered.

I have a constituent, a young middle-aged woman, whose husband had an accident and will never work seriously again. She has succeeded in building up a very small specialist business. She has obtained orders from the United States for that business, yet she cannot get £25,000 because she is told that unless she is prepared to mortgage the whole of the house—she has already mortgaged part of it—she will not be considered as a serious business person. That is disgraceful.

The loan guarantee scheme which has created jobs at £1,750 per head is the cheapest of the schemes to create jobs. It is an admirable scheme, but unless it is improved and brought closer to its original concept it will die. It is interesting that all the clearing banks now want it to live. They are all enthusiastic about it. One banker said to me that if the Government let it die it will be taken as a clear sign that the Government are no longer serious in their desire to support the small firm.

Almost every local enterprise agency has been supported by the local clearing banks. I pay tribute to them for that. However, the banks are beginning to contemplate withdrawal to allow others to take their place. If the banks' contribution comes from their public relations or community responsibility budget, that makes sense. Perhaps it is time to move to some other project, but it would be a suicidally short-sighted decision. An example is Lloyds, which has supported 100 enterprise agencies. That support can either be regarded as a good neighbour contribution by a major financial institution or be treated as the first mesh in the bankers' assessment of small firms.

The Minister confirmed earlier that, whereas the usual death rate of small firms is one in three, the local enterprise

[Mr. Andrew Rowe]

agency's death rate is one in eight. The message is clear. The banks should be invited by the Government to consider dividing their interests in local enterprise agencies and to regard them as an integral part of their vetting and support for small firms. Thus they would secure and improve the operation of those crucial agencies for the future.

We now know a lot more about what is needed to help small firms. An explosion in courses and advice has taken place. The local enterprise agencies, the Manpower Services Commission, business schools and further and higher education colleges and even voluntary organisations such as Young Enterprise are playing their valuable part. But what about professional education? The key supporters of small firms are bank managers and accountants. Yet, as the Coopers and Lybrand report says, they do not believe that they have a role in providing advice. They wait to be approached.

Not only is there need for change: there is plenty of scope. In Victoria, Australia, a large examinable part of a chartered accountant's course is run by the Victoria small firms agency. Banking and accountancy students could and should do some of their on-the-job training in small firms or in enterprise agencies. We need a co-ordinated examination of the education and training of everyone who is important to small firms.

In and out of Government the attitude to the entrepreneur and the self-employed person is suspicious, envious and destructively wrong. The recent implementation of the Keith committee's proposals are an expression of the exasperation with the persistent non-compliance by firms of VAT regulations. That is understandable and perhaps inevitable.

The Customs and Excise says that at any one time 85 per cent. of all registered traders are technically in default. One must therefore ask whether the system carries within it the seeds of non-compliance.

The Minister must be worried that, according to the Small Firms Research Trust survey, compliance with Government requirements has risen to third place in the list of problems experienced by small firms. To introduce new penalties to punish non-compliance with VAT is like a town with no car parks trying to deal with traffic congestion by increasing parking fines.

Worse than that is the general assumption that small firms and the self-employed are the principal creators of the black economy. A typical example is in the recent quarterly economic review by Professor Minford's unit at Liverpool university. In an article on the black economy the authors state as an unchallengeable fact that it is the self-employed who have the best opportunity to benefit from the black economy. That is untrue. Experience tells us, and studies such as that from Pahl of Kent university have proved, that it is employees who have the best chance effectively to operate in the black economy. It is in fact the electricity board worker who uses his employer's van and tools to rewire people's houses over the weekend. It is the direct labour road works team who will offer to tarmac one's garage approach. It is the National Health Service consultants who are under examination for blurring the boundaries between private and public medicine.

It is high time that all of us, but especially the Government, the Inland Revenue and the newspapers, understood that the self-employed and small business proprietors are wrongly regarded as the principal rip-off artists in our society. Of all the wealth creators, they are the loneliest, the longest working, the least supported and, in many instances, among the worst remunerated in society. I look to my Government to add to all their other efforts that of sustaining the small entrepreneur with admiration and approval instead of allowing the present climate of suspicion and envy to continue.

1.42 pm

Mr. William Cash (Stafford): I welcome the debate on small firms and propose to speak briefly and mainly on attitudes, objectives and reasons and to give examples of and make comparisons with small firms in Britain and abroad. Until the Conservative party won the general election in 1979, Britain had lost the will and the feel for enterprise. We had lost the opportunity to develop the ethos of enterprise which lies at the heart of a small firm. With some reservations, I recommend hon. Members to read Samuel Smiles. I do not agree with all that he wrote, but on reading his books—one book alone sold as many as 250,000 copies, which was a greater number than that achieved by most other 19th century novelists — and making due allowance for the times in which they were written, I was given much food for thought. He wrote at a time when virtually all firms were small. Many were becoming larger, but Samuel Smiles and his generation in the 1850s and 1870s knew and understood how to combine enterprise, self-help, risk and compassion. They started from scratch. There were no large corporations, no state involvement, no bureaucracy and no social security. Small firms made things from nothing.

We see the efforts of that generation from the other end of the telescope. We have the apparatus of the state, bureaucracy and social security, and most of this framework is necessary. Much of it is what those in the mid-Victorian period sought, but it has now become out of hand. It is my belief that it has stifled the enterprise which produced it. If we reduce wealth, we reduce the capacity to pay for public services as well as increasing the prospects of unemployment.

The mid-Victorians sought a mutual partnership of private and public provision very much like that which is rightly proposed in the Green Paper on social security, which has been produced recently. The public element in the equation—this is perhaps inevitable in our relatively new democracy — has swamped the enterprise which paid for it. We need to restore the balance.

I recommend a more modern book to the House which was published only last year by George Gilder, entitled "The Spirit of Enterprise". He criticises soulless academic economists and praises those who make our wealth. He illustrates by case histories how those who are imbued with the energy and spirit of enterprise breed new wealth. He animates the statistical labyrinths of departmental analysis with insight into what creates wealth and jobs and shows how it has been done. It is achieved by hard work, thrift, savings, vision, disposable personal wealth, seizing opportunities and being free to do so. It is not brought about on the backbone of official statistics. It is a different world from the dull, boring, over-cautious, negative, unenthusiastic and half-hearted world that we see around us so much today. There is risk and enjoyment in the life of the real entrepreneur, but he must be given the opportunity to breathe. As Gilder says, the entrepreneur

"is not chiefly a tool of markets but a maker of markets; not a scout of opportunities but a developer of opportunity; not an optimiser of resources but an inventor of them; not a respondent to existing demands but an innovator who evokes demand; not chiefly a user of technology but a producer of it".

He criticises our failure to pass on to youth the source of affluence and the possibilities of their lives, and the introverted self-indulgence of those educators, politicians and intellectuals who deny youth the adventure of life and the capacity to stand on their own feet.

There are too many Jeremiahs wringing their hands and indulging their consciences when we should be encouraging young people to be enterprising in this immense time of change, and to make and create small firms. But they need the environment in which that can be done, and it requires the bustle of business and trade.

Gilder illustrates the stealthy and unannounced euthenasia of the entrepreneur. He criticises the shifting of the burden of tax from corporations to individuals, and the institutionalising of private savings. He advocates the reduction of personal taxation so as to leave disposable wealth in the hands of people who can create real jobs. He criticises the tax havens, the export of capital, tax exiles, and the creation of traps for small business men in a captive capital market.

In comparisons between the United States, Britain and Japan since 1918, one finds that it is largely the real rise in personal taxation that has stifled and destroyed the spirit of enterprise and destroyed jobs. Gilder shows how Harding and Coolidge generated a boom in the United States in the 1920s with tax cuts, while we increased our taxes into a depression. He shows how our highest and most progressive rates during the 1940s ended by increasing the tax rates of the poor by four times more than the payments of the rich. He criticises our tax perks, which tie down British business men to a corporate structure and to governmental dependency.

Gilder argues that Japan, with its low inflation of about 2 per cent., and low unemployment of about the same rate, owes much to the tax-cutting policy of Tanzan Ishibashi, Minister of Finance in the 1950s. Gilder argues in a book, written for Americans in the United States and not for our consumption:

"Britain could still become the Japan of the late 1980s. Its leadership is committed to reversing the record of decline. The results of changing course, however, cannot be computed on any econometric model of the existing economic structure".

He puts his faith in people of all classes and all walks of life. They can become the entrepreneurs, and then perhaps bigger firms, but the spirit comes from within the individual, provided the external conditions are right. Then people can save. The Japanese have a massive savings rate which, with low taxes, has induced low interest rates. We must study their example and learn from it. High interest rates are one of the most frequent complaints of the small businesses in my constituency, and we must implement policies to bring them down.

My argument for the small firm is partly based on the need to fill the gap in employment induced by the massive change in our economy, particularly since 1973, but actually present for decades before then. It is also based on the need to provide, within the hearts, minds and pockets of people grown used to state provision, the idea that they can and must do more to help themselves. It is not fair on children coming out of schools for them to have been educated into unemployment before they leave. Why can they not be taught, as was said earlier, the rudiments of running a small business as part of the curriculum? It does not all have to be picked up as they go along. In Japan there is even a small and medium-sized enterprise university.

Does the small firm work in practice or is it mere ideology? A report based on a sample of 5·5 million businesses by the Massachusetts Institute of Technology a few years ago showed that 88 per cent. of net new jobs in the United States between 1969 and 1976 came from small businesses and that 66 per cent. came from employing fewer than 20 people. Small businesses in the United States account for 38 per cent. of gross national product, create two of every three new jobs and produce 2·5 times as many innovations per employee as the large firms.

Against that background it is worth noting that over the past 10 years, employment in the United States went up by 21 per cent. whereas ours went down by 4 per cent. Moreover, 80 per cent. of new businesses in the United States start in domestic premises. During that period, young and younger companies produced $2·3 billion in tax, compared with the older companies, which produced a mere $1·5 billion. Smaller new companies in the United States, which produced 34 per cent. more jobs, also produced 34 per cent. more in taxes.

Of course, we have had, and still have, difficulties, but that was inevitable, as Mitterrand and Gonzalez and now Mr. Lange in New Zealand have discovered in their Socialist countries. There is no easy answer. Much depends on the spirit of enterprise within each individual and, in turn, within each small firm and on their willingness to work, compete and innovate and so to create new businesses and jobs.

We must implement the right policies and we must have a clear policy of broadcasting in our schools and in every other way the virtues of small firms. I do not underestimate the importance of manufacturing industry. Without doubt, it has played an essential part in driving the engine of the United States economy, but it is worth noting that between 1973 and 1983 the United States had a net growth rate of 13 million jobs. About 15 million jobs have come from the service sector and few of those are in Government services, unlike the position in many other countries in the Western world. Over that period, the United States suffered a net loss of 3 million jobs in manufacturing. Those figures reflect the United States' amazing growth in the new technologically based and invariably small firms.

We have much to learn and small businesses, like any others, must produce better goods and services than our rivals abroad. We cannot say that too often. In past times of economic difficulty, the small firm, through the enterprise of its owners, managers and workers, has come to the rescue of the British economy. We must continue to provide the environment in which that can be achieved again.

1.53 pm

Mr. Henry Bellingham (Norfolk, North-West): It is a pleasure to follow my hon. Friend the Member for Stafford (Mr. Cash). Gilder's book will obviously become compulsory reading.

There have been a number of good contributions to the debate, not least by the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood). I am pleased to hear that

[Mr. Henry Bellingham]

he has an eye for local talent. We knew that he was a well known pavement politician, but he is also obviously a budding Casanova in his constituency.

Before talking about small firms, I wish to mention one large firm that employs many people in Yeovil and is responsible for many jobs in small firms throughout the country. The Minister will be aware that, since the collapse of the Bristow Rotorcraft bid, Westland Aircraft plc has been in crisis. Its share value fell another 30p today to 60p, from a bid price of 150p. I urge my hon. Friend the Under-Secretary to ask the Secretary of State for Trade and Industry to make a statement about Westland on Monday. Answers are required to a number of crucial questions. The company is of strategic importance; it is our only indigenous helicopter manufacturer and it would be a disaster if it collapsed. The Secretary of State for Defence must give us information about two crucial orders —the AST 404 and the EH 101. I hope that my hon. Friend will speak to his boss and urge him to make a statement on Monday.

I welcome this debate. It gives the Government a chance to tell the House and the country of their excellent track record over the past six years, and I congratulate my hon. Friend on his part in that.

During the past two years I have had a chance to visit most of the small firms in my constituency. I believe that they are the key to the future of north-west Norfolk in terms of employment and the economy. My local authority signed an overspill agreement 20 years ago with what was then the London county council, and we have a very wide industrial base. But it would be unrealistic to expect another large company to come to King's Lynn or to west Norfolk to help solve the above average regional unemployment problem. I look to the small firms sector to solve the problem, and we are making considerable progress. During the past two or three years many more jobs have been created in the small firms sector in King's Lynn, and we have many more self-employed people.

One of the most crucial developments over recent years has been the setting up of a local enterprise agency in King's Lynn. It is not yet set up, but it is on the end of the runway and about to take off. I congratulate Martin Crannis, who has been chairman of the steering committee which has done so much work in the background to set up the LEA. I also congratulate the chief executive of the borough council, John McGhee, who has also played a very important part. I thank the Minister for his encouragement. Looking at examples elsewhere in the country, I am convinced that this local enterprise agency will have a profound impact on job creation in west Norfolk.

Visiting the small firms in my constituency, I get a good deal of feedback. Of course they want lower interest rates. They want better roads, better communications and a better infrastructure generally. Obviously I am fighting hard for that. They are now operating in a far more favourable environment. However, there are still problems, not least those burdens that a number of hon. Members have discussed and also the desperate shortage of equity finance for the smaller firms.

I welcome "Burdens on Business". It contains many excellent suggestions. I welcome especially the call for an annual report. My hon. Friend the Member for Surrey, North-West (Mr. Grylls) mentioned the importance of setting up a Select Committee on small businesses. I should like to see the present deregulation unit kept going, not as an ad hoc committee but as a permanent committee to monitor burdens and, above all, to look out for new ones which might crop up in new legislation coming before the House.

My hon. Friend the Member for Mid-Kent (Mr. Rowe) and a number of others underlined a repeated complaint about the attitude of officials and officers of different Government Departments, agencies and other bodies.

Mr. Edward Leigh (Gainsborough and Horncastle): My hon. Friend refers to the attitudes of officials. Is he aware that Mr. David Dexter, the distinguished former chairman of the National Federation of the Self-Employed and Small Business and a constituent of mine, has written to me today expressing his concern about the widening of enforcement powers in the Budget and the extension of penalties for late returns? Is it not about time that we stopped piling the attentions of obnoxious officials on the job creators and listened to their advice?

Mr. Bellingham: My hon. Friend could not have put it better. That was the very point made by my hon. Friend the Member for Mid-Kent, who likened the situation to a town with a major car parking problem and no car parks stepping up fines and penalties for parking offences. This highlights a serious problem. If "Burdens on Business" is to have any impact—I hope that many of its proposals are implemented—the attitude of officials must change.

We are fortunate in Norfolk and East Anglia generally because the attitude of officials there is positive and pro-business. However, in Japan, Germany and America, officials arrive at a company's premises with a completely different attitude from that seen here. They arrive wanting to co-operate, to help, and to crack problems. Here, far too often, they arrive in a deeply suspicious, almost antagonistic, mood.

I came across a horrific example the other day. It was not in my constituency, and I shall not mention names. It concerned a small retailing firm that got behind in its VAT payments. It had a series of correspondence with the Customs and Excise. It agreed that it would start paying its VAT on time, although there was still a small amount of arrears. The managing director wrote to the Customs and Excise and explained that he would be away for two weeks on holiday, and that the problem would be sorted out in three weeks' time. A week later, a bailiff appeared on a busy Tuesday morning, in front of all the customers, and demanded a cheque. My hon. Friend the Under-Secretary knows the concern felt on the Back-Bench committee about such cases. The report on burdens will be worthless unless the attitude of officials can be changed.

We have made considerable progress. My hon. Friend the Member for Winchester (Mr. Browne) rightly spoke about a new work ethic and a new business enterprise culture being created. Tremendous strides have been made over the past six years. A new work ethic is developing, and that is almost entirely due to the small firms' sector. Therefore, I welcome the Minister's proposal and his enthusiasm for creating mini-enterprises in schools. If children can be brought up from an early age to believe in the importance of business and enterprise and the social respectability and acceptability of going into business, we

will make progress. I urge my hon. Friend to continue his excellent work, because if this progress is not maintained, we shall not solve the desperate unemployment problem.

2.2 pm

Mr. David Amess (Basildon): Some weeks ago my hon. Friend the Under-Secretary visited my constituency to see at first hand the revolution that is taking place in Basildon. I hope that he feels that he was warmly received. Local businesses were delighted with his visit. At that time, he was not wearing the hat that he now wears—that of the Minister responsible for waste. Had he been wearing it, he would have wished to spend some time examining the carryings on of our Socialist council.

Some months ago, my right hon. Friend the Minister for Trade also visited my constituency, and I know that local businesses found his visit a tremendous boost to their morale.

Perhaps I should explain what I mean by a revolution in Basildon. When the town was first dreamt up 40 years ago, it was designed with a view to having large firms on our industrial estates. The majority of the population also worked locally. However, over the years markets at home and overseas have changed and Basildon has tried to meet the changes. It has not been easy, and at the moment, unfortunately, there are nowhere near enough jobs for those who wish to work.

However, the town is managing to respond successfully to the obvious need to develop small firms of all descriptions. At the moment we are engaged in a substantial campaign to promote the goods and services that Basildon can offer. Our slogan is, "Basildon means Business". This is not fiction but fact. We are in the process of building the largest covered shopping centre in Europe. If only we could get more road signs erected to tell people where Basildon is, I am sure that the enterprise would be a tremendous success.

The Government have already done much to encourage small businesses. Business is assisting itself as well. In Basildon, the largest companies have rallied round to support the local enterprise agency, which is doing a marvellous job under its director, Denis Pigden, whom I know the Minister has met. With the assistance of the banks, the development corporation and the council, together with companies such as Shell, GEC Avionics and Pafra Ltd., the enterprise agency has given over 1,000 counselling interviews, of which over 50 per cent. were start-up advice interviews. From disc jockeys to computer software, the agency has assisted new enterprises to start up and successfully to continue trading as small businesses.

The Government have achieved a great deal but much still needs to be done. I conducted a small survey in my constituency and the dominant theme throughout was the difficulty of obtaining capital, either equity or running capital, from hidebound banks. The banks have played an important role in Basildon and many of them have shown vision. However, the local enterprise agency vets many of the small businesses and finds it frustrating when the business plans that it has assisted in putting together are rejected by banks that are unwilling to inject venture capital.

There is more venture capital now than at any time hitherto and many enterprises have taken advantage of it. Nevertheless, venture capital seems to be devoted to those with a proven track record and sufficient assets to cover failure. Three local industries told me that although the banks supported them during the recession they have been unable to expand because of the lack of risk capital. These are solid businesses with a sound base, an excellent work force and fine management. I should be grateful if my hon. Friend the Under-Secretary of State could explain to the banking institutions that to strike out into the unknown, no matter how well researched, requires some trust and much risk that cannot always be covered. Banks cannot continue to define risk as short-term Government stock. I pay tribute to those banks that realise this and provide real risk capital.

I turn to the relationship between big and small business. While there have been superb examples in Basildon of assistance and tie-ups, the vexed question of payment times has also arisen. The House is only too familiar with the problem of large businesses extending their credit, sometimes for as long as six months. One answer to that problem would be to cease trading with bad debtors. However, as the director of Hindbest Ltd. in my constituency told me only last Saturday, a light engineering firm such as his cannot afford to lose such a big customer, even if it is a bad debtor. Government action is necessary to ensure that the use of the money of small firms by large businesses to save their own interest charges is made an offence.

I am convinced that a major simplification is needed of the regulations covering all businesses. The teams that carried out research for "Burdens on Business" found that many firms are unaware of the compliance cost in time taken to complete Government paperwork, either because the work is delegated to people who are already doing the paperwork or because the cost is passed on to the public. I have discovered that exactly the same applies in Basildon. One form could be produced by each Department of State to cover the range of duties and responsibilities of small firms to that Department. One business man told me that tender documents quote other regulations that prove to be either impossible to find or, when they are found, impossible to understand. He agreed that his trade contains many regulations and that most of them are necessary; it is just the understanding of them that raises doubts.

Sadly, there is a firm in my constituency, Meatal Ltd., that is employing only 35 people although it has the capacity to employ 100. It cannot do so, however, because of the severe cash flow difficulties that are caused by the Intervention Board for Agricultural Produce taking more than six weeks to process repayments. I realise that this matter is not the responsibility of my hon. Friend the Under-Secretary of State, but I take this opportunity to mention it.

All hon. Members know the old Chinese proverb that to open a shop is easy but to keep it open is difficult. I pay tribute to those men and women who initially gamble everything, including their own houses, in order to set up a small firm and who work morning, noon and night to eke out a living for themselves. From such enterprise, employment opportunities for others often arise, but many of us appreciate the initial agonising decision of whether to gamble all.

Last week I opened a new factory in my constituency for Laser Lab. While the company is fronted by an Australian, it is an example of the triumph of British design in technology. We must stop knocking ourselves. Although we may smile at the American approach, we

[Mr. David Ames]

should sing our praises more strongly and follow the example of Members of Parliament and be immodest in our approach.

I can never understand the attitude of Labour Members to business. They always seem to be hostile, viewing profit as a dirty word. Small firms are the lifeblood of the nation. I cannot believe that the Government will let them down.

2.11 pm

Mr. Jeremy Hanley (Richmond and Barnes): I commend the Government's programme on small businesses. The Government have offered practical help to small firms and will continue to do so. I am grateful for a programme that has helped businesses to start and has encouraged their continued trading.

Much has been said about the enterprise agencies. They have been extremely successful, with a tenfold increase in the past four years. Much has been said about the enterprise allowance scheme, which has helped 66,000 people in the past, with plans for helping another 180,000. The business expansion scheme has done much to help small businesses. The small firms service is excellent and has helped nearly 300,000 people with difficult and complicated problems.

Courageously, corporation tax has been reformed in a way no other Government would have dreamt possible. Under the loan guarantee scheme, introduced in 1981, more than £500 million has been produced for 16,000 businesses. That scheme has been a great success and it would be disastrous if it were not extended beyond the end of this year. The new business improvement service, launched only six months ago to help small firms, has made £63 million available by way of grant. It all represents a package of which we can be proud.

While commending the Government, I also commend the work of the Minister with responsibility for small businesses. He is tireless in promoting small businesses and has led from the front and by example. Metaphorically, he is one of the founding fathers of the enterprise agency system. Literally, he is the founding father of Edward David Trippier, and I happened to be on my feet speaking when the news of the birth of Edward David was announced to his father.

I was also in the Chamber when his father named Edward David, normally the right of the Speaker. I am proud to be speaking now and to have been present in the Chamber before, during and after the christening of the latest of the Minister's small enterprises. This small business has grown, and I congratulate him on the day of his son's christening in the Crypt.

I also thank the Minister for opening in my constituency this week London House, a new system of business units, a concept that is spreading. Firms at the units share space, reception facilities, security and communication systems. I reiterate some remarks of my hon. Friend the Member for Basildon (Mr. Ames) in that I hope that, as Minister with responsibility for waste, he will concentrate hard on filling his bins with red tape and unnecessary forms.

I also commend the Government's action on privatisation — in the National Health Service, in schools, in the Ministry of Defence and in local authorities — because that has helped to create many small businesses.

The Labour party would claim that it showed initiative through Lord Lever and others. Lord Lever once said—his remark has been quoted many times since—that, in this context, big oak trees from little acorns grow. Why, then, does the Labour party, at the time of every Budget and in every part of its administrative programme, create for the big oak trees lashing of defoliant in terms of its taxation and employment measures?

It is a sad day when the Labour party concentrates on liquidations. Labour Members have said that there have been 17,000 liquidations during the last year for which figures are available but have ignored the 100,000 new companies and 100,000 other businesses that have been formed during the same period. It is rather like saying that at Kew gardens, which is in my constituency, they only pull up flowers. They do not—they have to prune to make a healthy garden. The Labour party has ignored the planting that has been going on in small businesses.

The Institute of Chartered Accountants has carefully considered Lord Young's White Paper "Burdens on Business". The institute believes that an examination of the possibilities for a major simplification of pay-as-you-earn and national insurance contribution procedures should be given high priority. This could help small businesses, not only because the change might reduce the burden on all businesses but because a commitment to change would be seen as symbolising new Government attitudes over a much wider area. Proposals to change PAYE and NIC regulations would need to be considered in the light of the cost of retraining staff, but we believe that the change must be of a radical nature to generate sufficient continuing benefits. There is little merit in just tinkering with the present system.

The institute believes that it is desirable to consider possible systems for integrating PAYE and NIC in a combined rate. It is essential to examine carefully the benefits and disadvantages of both cumulative and non-cumulative systems from the viewpoint of the employer, the employee and the Inland Revenue. It is necessary also to examine further ways of reducing the administrative burden by simplifying the complex PAYE and NIC systems.

The VAT requirement means that small businesses have more detailed systems of book-keeping than would otherwise be the case. Although that brings benefits, in the smallest businesses those benefits are often outweighed by the additional costs and time commitment that are required to keep appropriate records and to understand the complexities of VAT regulations.

It cannot be stressed too strongly—hon. Members have done so many times today—that the increasing complexities of VAT make it a difficult tax for anyone other than an expert. Although many retail schemes are intended to help business men, they are an imposition on the smaller trader and the complications are out of all proportion to the benefits. A higher threshold would ease this burden on the smallest businesses. The Institute of Chartered Accountants would like the VAT registration limit to be substantially increased and says that a system of voluntary regulations below the limit should be encouraged where this is of benefit to the business.

Value added tax is a major cash flow item in a business, and we believe that the current system is utterly unfair. We would like to see a cash received, cash paid basis rather than the current system. This could greatly help small businesses.

The ICA has also made recommendations on statutory sick pay. This is an extremely difficult system which perhaps should be integrated with the PAYE and NIC systems.

I commend the Government, especially the Department of the Environment, for their help in trying to smooth out planning, fire and building requirements. They have done a great deal in encouraging local authorities to be more efficient, but this is still one matter in which small businesses are especially disadvantaged. One of the problems with the planning, fire and building regulations is that no one really appreciates the costs—not only the direct costs—in waiting, reapplying and redesigning. This hurts the spirit of a business that wants only to expand and succeed.

Employment protection and other environmental factors must be examined, carefully for the sake of small business. Of course we need employment and consumer protection to protect the disadvantaged. However, we need to weigh up whether advantages flow from that legislation or whether it helps to encourage unemployment.

Massive changes in accounting and auditing requirements are forecast in various documents, including the Green Paper "Accounting and Audit Requirements for Small Firms" which was published last week. The Institute of Chartered Accountants is not at all frightened by the Green Paper. It is carrying out a wide investigation among its members to ascertain what they think is best.

The private exempt company, abolished by the Labour Government in 1967 in a political move to punish small businesses, should be resuscitated. Such companies should be exempt from audits and some requirements of the Companies Act 1981. Shareholders, however, should be allowed to insist upon a full set of accounts.

Limited liability is a privilege, and all privilege must bear responsibility. We must protect creditors and shareholders and make directors and managers accountable, but there is no need to do that at unnecessary cost.

The Institute of Chartered Accountants believes that annual returns should be radically changed. In a modern world, there is no need to have annual returns filled out each year. They should be provided on a computer-based system that notifies changes.

It would help all small businesses if financial literacy were more general. A lack of financial understanding in society has contributed to many of the country's economic problems. This matter should be investigated in more depth.

The Insolvency Bill will help to produce a regime of greater protection for many small businesses. The preferential status granted to the state, which helps to cripple so many small creditors because the state takes all the money available, will not be welcome. The rest of the Bill will be welcome.

I hope that the result of the reforms that I have mentioned will improve the climate for enterprise, but it may well reduce Government revenues or statistics available for governmental analysis. If the Government were to reduce their revenues, and if the statistics were not available, that might be an investment in greater revenue in the future from small businesses. An increase in profits and thus taxation will outweigh the disadvantage to the state and will reduce the costs of unemployment to the state.

2.21 pm

Mr. Trippier: I am grateful for the kind comments that have been made by right hon. and hon. Members about my happy family event today. My hon. Friend the Member for Surrey, South-West (Mrs. Bottomley) mentioned the importance of godfathers, and I agree with her. For the benefit of the House, I have brought along the godfather who presided at the christening. The things that I will do to keep in well with the Ministry of Defence and to ensure that small firms have a fair crack of the whip from defence procurement — asking my hon. Friend the Under-Secretary of State for Defence Procurement to be a godfather.

I have been impressed by the enthusiasm, and in many cases passion, that hon. Members have for this important topic. I was struck by the fact that many hon. Members are actively involved in the small firms sector within their own constituencies. It goes without saying that most hon. Members would normally be involved in practically every major aspect of life in their constituencies, but it is clear that many contributors to the debate take a special interest in small firms locally and, most notably, in local enterprise agencies—for example, my hon. Friends the Members for Norfolk, North-West (Mr. Bellingham), for Surrey, South-West, for Hertfordshire, South-West (Mr. Page), for Mid-Kent (Mr. Rowe), for Basildon (Mr. Amess) and for Richmond and Barnes (Mr. Hanley), and the hon. Member for Isle of Wight (Mr. Ross).

It is important to stress the importance of local involvement in small firms and their encouragement within the community, because I believe that indigenous growth locally offers the solution to many of the problems which beset the nation—problems which were identified by my hon. Friend the hon. Friend the Member for Surrey, North-West (Mr. Grylls) and by the right hon. Member for Swansea, West (Mr. Williams).

It is clear that the most important priority for any Government is to help to create the right economic environment in which industry of all sizes can succeed. I believe that that is not enough. It is a responsibility of Government to emancipate entrepeneurs and to reduce the burdens, be they administrative, legislative or fiscal. We have a responsibility to reward risk-taking, initiative and enterprise.

We are making considerable progress on all those fronts, but I am still not satisfied that at community level the regeneration of the small firms sector is being tackled in the form of a partnership, bringing together the leading influences within that community and concentrating upon indigenous growth.

The reason why I have laid such stress on that aspect, both now and during the past two years when I have been Minister with responsibility for small firms, is that I have come to terms with a simple but essential fact. That is, that a conscientious Member of Parliament could pull out a prayer mat every day and pray that a large company, such as ICI or GEC, will soon open a subsidiary firm in his constituency, which would help enormously to absorb the unfortunate people who are in the dole queue in that community. Of course, he may be on his knees for a considerable time. Indeed, he would have been on his knees for a long time under the Labour Government. I am not making a political point.

However important it may be for hon. Members, local authorities and the Department of Trade and Industry to

[Mr. Trippier]

concentrate on matters such as inward investment, I am convinced that the major impact, which would have a dramatic effect in reducing the unacceptable level of unemployment, would be caused by a concerted effort to foster the growth of fledgling companies, to encourage people from within that same community to consider self-employment as an option, and to encourage established firms which may employ fewer than 20 people to expand.

I was glad that the right hon. Member for Swansea, West stressed the local aspect. That is why I am so keen — some would say fanatical — on local enterprise agencies, and why, wherever possible, the approach to the problem should be bi-partisan. In response to an intervention, I said that it was important that about half the local enterprise agencies in the country were in areas where the Socialists controlled local authorities, about half where the Tories controlled them, and obviously some where the Liberal and SDP parties controlled them. I welcome that support. I first thought of the idea of a small firms local enterprise week in 1984 to get the message down to grass roots level about the support available for small firms.

An important reason for the need to have a small firms policy is the notoriously difficult problem of attitudes, which my hon. Friend the Member for Winchester (Mr. Browne) pointed out. Times are now changing, but we have suffered for decades from a culture which has esteemed the distribution of wealth above the means of creating that wealth. Business was seen as somehow second rate, and not enough of the more able people entered business and trade, as my hon. Friend the Member for Luton, South (Mr. Bright) pointed out. To make money was seen as not quite moral. Such attitudes ignore the social and economic benefits that profitable business brings in terms of jobs, our general standard of living and our ability to afford welfare services. Such attitudes have affected our valuation of all businesses, whether large or small. However, they have been particularly unhelpful when it comes to encouraging people to consider the route of self-employment or the contribution that they might make to small businesses and entrepreneurial activity. That point was made by my hon. Friend the Member for Surry, South-West.

I must say to the hon. Member for Islington, South and Finsbury (Mr. Smith) that the Government aim to create a society in which people make their own choices and take responsibility for their own decisions, in which rewards are related directly to individual effort, in which people have a stake in its success, and in which individual initiative rather than Government intervention provides the driving force.

If we are to change Britain from a dependent to a self-reliant society, from a give-it-to-me to a do-it-yourself nation, it means creating an even stronger and more dynamic enterprise culture, which accords an enhanced status to the entrepreneur and offers him the rewards to match, as my hon. Friend the Member for Stafford (Mr. Cash) rightly pointed out. There is no doubt that the small business environment provides the ideal outlet for the expression of that positive approach to self-reliance. My task as Minister with responsibility for small firms is to help nurture that positive approach.

Wholesale subsidisation of industry, which was the message I was receiving loud and clear from Labour Members, would be a wasteful use of public money. Obviously, there are priority cases, such as the redevelopment of areas suffering from large scale closures, where assistance from the Government is vital. Government support for small industry must be carefully tailored to provide the most cost-effective use of the money available.

I assure the House that our objective is to create a new culture in which enterprise is valued and accorded greater status and material reward. I want to encourage a new generation of people to come forward who consider it to be their role to employ others rather than to expect others to employ them. That would result in a renaissance of self-confidence and risk taking, which would unleash the employment potential that we know is there. The case for promoting small businesses is far more than economic. Small businesses are central to the sort of society that this Government are seeking to create. The society that we are seeking is based on enterprise and the independence of individuals rather than the diktat of Government. It is a society based on freedom.

Mr. Michael Neubert (Romford): I beg to ask leave to withdraw the motion.

Motion, by leave, withdrawn.

Amusement Arcades (Planning Controls)

Motion made, and Question proposed, That this House do now adjourn—*[Mr. Neubert.]*

2.30 pm

Mr. Patrick Nicholls (Teignbridge): I am grateful for this opportunity to raise the question of the role of planning law in controlling and regulating the proliferation of amusement arcades.

Two appeals against planning refusals have been granted for amusement centres in my constituency in the past year. They were granted not only against the wishes of the planning authority, after they had been advised by their own professional officers, but in the teeth of strong objections by local residents. The objectors considered that the use was inappropriate in a mixed residential and commercial area, and they felt that it was likely to produce environmental problems.

Teignbridge district council refused an application to change the use of a shop at 17 Piermont place, Dawlish, into a "family leisure centre"—that, apparently, being the latest euphemism for what the rest of us would call an amusement arcade. The inspector's appeal decision report states:

"The council refused their consent on the grounds that the proposal is a major attraction leading to increased congestion in an area which is busy in the holiday season, thus, in turn, creating an increase in pedestrian movements across a main road; it would conflict with the intention to enhance and protect the environment of the Conservation Area in which the site is located; there is no need for more amusement facilities in the area, and the loss of retail floorspace is detrimental to the main shopping area of the town."

Despite such clear and cogent considerations, the inspector allowed the appeal in June 1984, albeit having imposed certain conditions, including limiting the hours of opening and requiring sound-proofing work.

Nevertheless, my constituents are still subject to aggravation from noise and congestion, and have had imposed on their town a development that was overwhelmingly opposed by the local community.

In August last year, an inspector allowed an appeal, again with conditions, at 7 Queen street, Newton Abbot, against Teignbridge district council's refusal of an application for change of use from a cafe to a family leisure centre. The district council had opposed the development on several grounds, which included its being in an area shown on the town map as being primarily for shopping use; being in a part of the town where the traffic is already grotesquely congested; that it would create an undesirable increase in the demand for car parking in a street that was already part of a one-way system, and the fact that the footpath was narrow, and the pavement, at that point, already congested.

All those objections were overruled by the inspector. Admittedly, since then an appeal involving an amusement centre has been turned down. But the trend nevertheless appears to be showing an increase.

There are, of course, many who believe that amusement arcades are inevitably an undesirable feature and that they should be opposed on all occasions. There is certainly evidence to the effect that local authorities all over the country are worried not simply about the environmental effects—particularly where such centres adjoin residential areas—but about the adverse effects on young users of the premises. In some city centres they are considered a major menace, and in London some local boroughs have formed a special group to deal with the problem. Their sense of frustration can be imagined when it is considered that in Nottingham eight refusals by the city council have been promptly turned over on appeal.

All this is, of course, well known to my hon. Friend the Minister, but let me hasten to assure him that these are not the considerations that I bring before him today. It occurred to me that when this debate was first announced his initial response, or that of his officials, might have been that, although I did not really know it, I was really concerned about the operation of the gaming laws. Let me hasten to assure him that I do know what I am about, and it does not involve the operation of the gaming laws. The issue is not primarily one of law and order. Obviously different situations can pose different policing problems. Two old ladies feeding pigeons in a public park do not have the same potential for utilising police resources as an amusement arcade. But both activities are perfectly legal, and I am not suggesting for a moment that either of them should be made illegal. If one adopts a modest and unhysterical approach, the system will be considered with planning controls in mind.

The present Secretary of State for Defence, when he was Secretary of State for the Environment, said in a major speech to the Royal Town Planning Institute summer school in September 1979 that he

"accepted, too, a planning process in which the individual citizen, whether alone, or acting in a pressure group, has a fundamental right to influence the direction taken in the area in which he lives."

Those are splendid words, as would be expected from my right hon. Friend, but over 90 per cent. of appeals are now decided not by the Minister but by inspectors acting under delegated powers in the Town and Country Planning (Determination of Appeals by Appointed Persons) (Prescribed Classes) Regulations 1981.

As a result, the Secretary of State is no longer amenable to political pressure. The particular danger is that more and more appeals will be successful as a result of the Government's otherwise laudable determination to speed up their procedures and to use the planning mechanism to create jobs. The danger is that the principle of public participation in such decisions, which was so strong some years ago, will be further eroded.

People appear to be increasingly doubtful about the Government's commitment to local participation. The principles of the Skeffington report are being increasingly ignored. The Town and Country Planning Act's provisions for public consultation begin to have the air of a charade. Disquiet is therefore expressed by a number of organisations that, while lip service may be paid to the consideration of their views, there is no real intent that their views will be fully and properly reflected in the decisions that emerge.

The pity is that, if that is right, the trend runs contrary to Conservative philosophy which embraces care for and pride in one's community. All too often that does not appear to be reflected in decisions handed down from on high and for which we will be held responsible.

What should we do to ensure that local people's real and well-informed views are given due weight? Calls are constantly made for a community right of appeal to give objectors the right to demand an appeal against a planning authority's grant of permission and even against an

[Mr. Patrick Nicholls]

inspector's decision on appeal. At first sight that might seem admirable or even beguiling, but on closer examination one can see that the problems are formidable. Such a procedure would not only delay the planning process but would involve a great deal of extra time and money for both parties. Those added expenses would probably have to be paid for by the ratepayer.

Another approach might be to ask the Secretary of State nominally to take more decisions himself rather than their being taken by a delegated authority. That would mean that my right hon. Friend would be amenable to representations by hon. Members who have a far better grasp of their community's needs and desires than an inspector who makes only a brief visit.

I believe that the answer to the problem is relatively straightforward, provided that all districts and regions tackle the problems at source, even before a specific planning application is made. In connection with amusement arcades, the reversal of refusals at district council level is greater than for other types of applications. By contrast, if a local authority has already adopted a leisure policy based on regulations rather than prohibition, the inspector must take that into account. Some recognition of that, at least in substance, was given in the Department's control policy note 11. However, more needs to be done.

I am asking my hon. Friend today whether he agrees that the way to constructive development lies in the direction that I have described. He should issue further, more specific guidance to local authorities on how they should approach the problem in a local leisure plan. He should also advise them so that the considerations to which I have referred and which are set out in the development control policy note are properly reflected in the findings on appeal.

I could have entered the Chamber ready to regale my hon. Friend the Minister with a great populist tirade on amusement arcades being Satan's playgrounds where vice and depravity proceed unabated. If my hon. Friend feels the need for some light relief after the debate is over, I could do so even then. However, when he replies, I hope that he will appreciate that I did not succumb to the temptation to adavance that argument. Had I done so, it is possible that the Chamber would have been even more crowded that it is now. I hope that my hon. Friend will agree that I have highlighted something which is a cause of real grievance and concern to many in their local communities. I hope to have done so constructively and to have given some signs of where we might go from here.

2.40 pm

The Parliamentary Under-Secretary of State for the Environment (Mr. Neil Macfarlane): I am most grateful to my hon. Friend the Member for Teignbridge (Mr. Nicholls) for initiating the debate and I congratulate him on the constructive way in which he introduced it. I suppose that on a Friday afternoon we are all in need of some light-hearted relief after the rigours of a week in Parliament. The debate that my hon. Friend has succeeded in raising on the Adjournment will be of inestimable help to his constituents in the longer term.

I congratulate my hon. Friend also on the diligent way in which he has kept behind my Department on this topic. I am certain that he has done the same with my colleagues in the Home Office. The issues, which concern both our Departments, are closely intertwined. However, I must confine my remarks to land planning use rather than moral issues.

I am well aware of the contentious issues which are aroused in people's minds and which become the subject of heated discussion in a parochial and a national sense. It is well understood that leisure centres are a matter of great concern to those in most parts of the United Kingdom, especially in the tourist area that my hon. Friend represents in the south-west of England.

I must confess that, like most hon. Members, I have not heard the term "family leisure centre" used in the sense in which it has found its way into the debate. With my ministerial responsibilities for sport, the term conjures up squash courts, indoor tennis centres or swimming pools, which are items that do not come within the term "family leisure centre" in the sense in which it has been employed by my hon. Friend. My hon. Friend has a fine record of ensuring that the subject is brought to the attention of my right hon. and hon. Friends.

The siting of amusement centres is very much the sort of issue to which planning control should be addressed. My hon. Friend mentioned two appeal cases—one in Dawlish and one in Newton Abbot—and outlined the arguments which he said were raised by the district council in its case for the refusal of planning permission. I think it only fair to point out that the inspectors appointed to determine appeals are obliged to take into account all the evidence presented to them, not merely the views of the local planning authority. It is not, of course, sufficient to say that, because the local authority did not like the amusement centre, no centre should have been permitted. Like all other planning cases, these must be considered in the light of all the relevant and local considerations.

There has, I know, been some disquiet over the past few years about the proliferation of amusement centres, and about the role of my Department on planning appeals in particular. It has been felt in some quarters that my Department has been allowing a much larger proportion of appeals against refusals of permission for amusement centres than against refusals of permission for other kinds of development. We do not yet have the firm information within my Department on which to be able to base a real assessment of that suggestion. However, as a result of the debate I intend to follow that up and to return to my hon. Friend in due course and, similarly, to respond to others of my hon. Friends who have raised this issue with me and who represent different parts of England.

The concern which was felt publicly was enough to cause me to decide to issue a new development control policy note, making clear the policy of the Government on planning control over the development both of amusement centres and other kinds of service use in shopping areas. The policy note covers a range of functions in our towns and cities and it contains great detail in one of the annexes about amusement centres. It may raise similar considerations to those raised by amusement centres in respect of other functions. A draft of the new note was widely circulated for consultation in March 1984, and my Department received a very large number of responses from consultees. A much amended version of that draft was published in January this year as the new development control policy note 11. I hope that the publication of the

new note has served to set a clearer and better framework for the decisions of local planning authorities. It is a comprehensive paper.

It is very important to make sure that planning control is used to deal with planning issues and not with other things. Planning is about land use matters. It is not proper to refuse planning permission for reasons which have nothing to do with planning control. It is, of course, important that there should be controls over gambling, for example, or that public order must be maintained, but gambling and public order are not in themselves planning matters. Planning cannot be an all-embracing control. Its concern is with the use and development of land, and there I think it must remain. This distinction is one that I emphasise not least because, in seeking to deal with amusement arcades—I refrain from calling them family leisure centres—the system of planning controls is not the only instrument at the disposal of local authorities.

The Gaming Act 1968 provides that, in addition to obtaining planning permission for the premises, the occupier must obtain a permit from the local authority. Although local authorities must act reasonably, the Gaming Act leaves at large the considerations which can be taken into account in deciding whether to exercise their discretion to refuse to grant gaming permits. In addition —this may be more relevant to my hon. Friend the Member for Teignbridge and to other Members concerned about the effects of an arcade on the local environment and on residents nearby — local authorities may make byelaws under section 75 of the Public Health Act 1961. That byelaw-making power was intended primarily for application to pleasure fairs moving from site to site. Unquestionably, that must be a feature of the sort of seaport town that my hon. Friend represents. The Home Office has concluded that local authorities would be acting within their powers if they sought to make byelaws covering amusement arcades under that heading.

For those local authorities attracted to the idea of byelaws on amusement arcades, there is the prospect of being able to provide for the closure of the arcades in the evenings and for the premises to be supervised by at least one person while open for business. The byelaws may seek to control any noise nuisance and apply safety standards, including those relating to fire.

Hon. Members who have followed the debate over amusement arcades in the past year or two will know that my right hon. and learned Friend has concluded that there is no clear evidence of problems which would justify fresh controls over amusement arcades in Home Office legislation. In reaching that view the Home Secretary had the existing remedies under the Gaming Act and byelaws very much in mind, and I hope that local authorities will similarly keep those opportunities for action in focus. Certainly it would be a mistake to assume that the existing law outside the planning field is a dead letter in seeking to deal with amusement arcades.

I know that my hon. Friend will not expect me to go further into those matters this afternoon, since they are not matters for my Department, but they impinge upon the theme and the theories behind my hon. Friend's speech. Therefore, I will elaborate on the policies set out in the development control policy note, which are the policies which we follow and which my right hon. Friend the Secretary of State will follow in his appeal decisions, subject to any material policies in the development plan for the area and to any other material considerations in each case.

There is a fundamental planning policy that planning permission ought to be granted for any development unless there are sound, relevant, and clear-cut reasons for refusal. We said that in circular 22/80. Amusement centres can and do give rise to such sound, relevant and clear-cut reasons for refusal. Very often they include problems of noise, disturbance and road safety issues—the very point that my hon. Friend brought out. The sort of issues which may be relevant can depend on the kind of amusement centre involved.

The term amusement centre can cover a wide range of activities, including cash bingo — which is usually played in bingo clubs — prize bingo, amusement-with-prizes machines such as fruit machines and amusement-only machines, ranging from the traditional pin-tables to video games such as space invaders. Where a centre forms part of a pleasure fair or is on a seaside pier or promenade, it may include more obtrusive amusements such as shooting galleries and fairground rides. The response of the planning authority to the application will clearly vary, depending on the type of amusement centre which is proposed.

Cash bingo is rather like this place — it is almost always sessional—and applications for such a use will therefore usually raise questions posed by peaks in pedestrian movement, by vehicle movements, noise and disturbance and road safety problems which they can create. Other kinds of amusement centres, however, may not generate pedestrian or vehicle traffic which is different in kind from that caused by neighbouring uses, especially if the proposal is for a centre to be sited in a busy shopping area. That is part of the problem. Traffic and road safety issues will always be most prominent in the case of proposals for amusement centres to be sited on busy routes or near to busy road junctions.

Questions of noise and general disturbance are likely to depend, to some extent, on the kinds of amusement proposed and the expected clientele. Where an amusement centre is proposed close to residential flats or near to other residential property, its effects on amenity may be higher in the evening, when general noise levels in the neighbourhood are lower, and in such circumstances, a limitation on opening hours may reasonably be imposed by the local planning authority.

The development control policy note spells out in detail that noise is likely to be the most common effect of amusement centres on amenity generally, and it may be that noise problems in themselves can justify refusal of permission. Noise can sometimes however be attenuated by the imposition of suitable conditions—dealing, for example, with insulation, self-closing doors, the enclosure of the front of the premises or the prohibition of external loudspeakers. Shooting galleries are particular noisy, and will generally be prohibited, except in their traditional seaside or fairground locations. Account will always need to be taken of the amount of noise already generated by shops or other establishments in the area; it would not normally be reasonable to require amusement centres to be quieter than their neighbours.

The advice in the policy note is that amusement centres are most likely to be appropriately sited in secondary shopping areas or areas of mixed commercial development. An amusement centre will not be acceptable near

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residential property, nor near schools, churches, hospitals or hotels, if noise and disturbance may be intrusive. Again, an amusement centre which is likely to affect visual amenity will normally be out of place in conservation areas or other places of special architectural or historic character. Different considerations may, however, arise in resort towns, where the seafront or pier may be preferred locations.

Another point is that the installation of a small number of amusement machines in premises used for other purposes — for example, cafes or hotels — may not be significant enough to amount to development requiring permission under the planning Acts. Such use might be ancillary to the primary use, or insignificant in planning terms, in which case they would not need planning permission; that would depend upon the facts. Amusement-with-prizes machines always require a permit, however, whether or not planning permission is needed.

A further point of significance is that, quite apart from the possible amenity problems which an amusement centre may present, it may also be necessary to refuse permission for that centre on the ground that it is a service use which might not be allowed in a shopping street. Guidance on when this might be appropriate is again given in the new note. It might typically occur in a primary shopping area where the overall number of service outlets had already reached a level at which further changes from retail shop use should be resisted. Whether or when such a point is reached is a matter for the judgment of the local planning authority.

But that is not a judgment which should be made solely by reference to numbers of outlets, proportions of floor space or lengths of frontages, and it should always take account of the type of shopping centre, the trends in usage of that centre and the views, as far as they are known, of both those who trade there and those who shop there. Authorities should be aware that the question whether the number of amusement centres in an area is already sufficient to meet the demand will be a matter for commercial judgment, and not material to a planning decision.

At the same time, however, it must be borne in mind that amusement centres can constitute "dead frontage" within a shopping area — that is, an interruption to the retail frontage either in terms of appearance or in terms of the attraction of shoppers — which it may be necessary to break up, and this can also, depending on the site, lead to the refusal of permission for an amusement centre.

My hon. Friend mentioned a statement in 1979 by the the then Secretary of State for the Environment about the role of public participation in planning decisions — a statement which I am glad to reaffirm. It is, of course, essential that people should have a proper opportunity to have their say in questions of development which would affect their lives and their neighbourhoods, and that their views should be given proper weight, not least as evidence of the possible effect of a proposal on local amenity. But planning control has to be exercised reasonably. Decisions must be made on proper planning grounds, and not on the basis of opinions which, however worthy, are not directed solely at land use planning matters. In the end, it must be for the public authority responsible to take the decision in the light of all the circumstances of the case.

Mr. Nicholls: Does my hon. Friend agree that in that process it would greatly help the inspector and probably increase the chances of an acceptable decision being handed down if the local authority had a leisure plan so that it had properly addressed the problem of leisure instead of simply responding to an individual application?

Mr. Macfarlane: Yes, that is a most important definition. Again I hesitate to commit myself fully because there are varying categories of leisure definitions and it is necessary to exercise one's mind carefully when considering that definition. But in view of what my hon. Friend said, his suggestion is one that I shall want to research and I will get back to him about it. He has raised a number of matters that are worthy of closer scrutiny.

My hon. Friend puts forward several suggestions for action. He suggests that fewer appeals should be transferred to inspectors for decision, and he suggests further advice from my Department. I wonder whether he has fully considered the implications of his first suggestion. Appeals decided by the Secretary of State inevitably take considerably longer than those which can be transferred to inspectors for decision—and the latter now account for about 95 per cent. of all appeals. It would not be reasonable to change the procedure for amusement centre appeals alone, and the effect of a change would be to cause substantial delay to many projects which ought to be getting off the ground and creating jobs.

Moreover, the decision on the appeals would hardly be likely to be different. My hon. Friend suggests that a change in the procedure would make the case more amenable to political pressure. But appeal decisions must follow rigorously the rules of natural justice, and must take only land use planning issues into account. I am bound to say that this suggestion does not seem a good way forward.

On the question of further guidance from my Department, I think that the answer lies in the new version of development control policy note 11, which I issued as recently as last January. I believe that the new version of the note — which was issued after the appeal cases to which my hon. Friend referred — sets out clear policy advice along the lines I have described.

The way in which national policy falls to be applied in local areas is, of course, a matter for local authorities themselves — and the note emphasises the role of local authorities' development plans in this respect. It makes it very clear that sound and well-judged policies in a local plan will provide the best framework for decisions on applications for amusement centres. The matter is therefore very much in the hands of individual district councils. If they incorporate suitable policies in their local plans, policies which are apt to secure proper land use planning objectives such as those set out in the policy note, and accord with the general advice in circular 22/84 and the memorandum on structure and local plans, such policies will be very relevant in appeal decisions. If the advice in the policy note seems insufficient in some way, I would be happy to look at it again. But I think that more than a few months' experience of the working of the note is needed to give it a fair trial, and I urge my hon. Friend to study the document in detail with his local authority representatives, and, if they wish to come back and make any comments. My door is open.

I acknowledge again the constructive way in which my hon. Friend introduced this topic. It has provided a useful opportunity to discuss the issue. I recognise that there has

been some uncertainty, and I do not underestimate the deep disquiet which it has generated in many towns and cities throughout the country. But I hope that our new note will have clarified matters. It was greatly welcomed by the local authority associations. In local areas where uncertainty still exists it is very much a matter for local authorities to set the context for applications by adopting appropriate policies in their local plans.

I again congratulate my hon. Friend on introducing the subject and on being so diligent on behalf of his constituents.

Question put and agreed to.

Adjourned accordingly at two minutes to Three o'clock.

House of Commons

Monday 24 June 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

ENERGY

Nuclear Power Stations

1. **Mr. Beith** asked the Secretary of State for Energy how many additional nuclear power stations he expects to be commissioned between 1985 and 2000.

The Parliamentary Under-Secretary of State for Energy (Mr. Alastair Goodlad): The ordering of nuclear power stations by the CEGB beyond those currently under construction cannot be considered until after the outcome of the Sizewell inquiry.

Mr. Beith: Is that all the Minister can say, when yesterday's newspapers reported that the CEGB had dusted off its plans to build another 12 nuclear power stations before the end of the century, including, of course, one at Druridge bay, Northumberland? Is the Secretary of State planning to halve the country's dependence upon coal for energy purposes, and if so, why; or is he making the same exaggerated assumptions about energy demand as were fashionable when the right hon. Member for Chesterfield (Mr. Benn) was Secretary of State for Energy?

Mr. Goodlad: The number of stations will depend upon a range of factors, including the future level of electricity demand. The CEGB has stated that it does not intend to make applications for new power stations, nuclear or otherwise, before the outcome of the Sizewell inquiry is known. I understand that the CEGB has said that should it receive consent to construct Sizewell B, it would, subject to obtaining consent, wish to complete several PWRs before the end of the century. My right hon. Friend will consider any such applications on their merits at the time.

Mr. Portillo: If more PWR stations are to be built, does my hon. Friend imagine that the inquiries that will have to be held before each of those reactors is built will be as long as the Sizewell inquiry, or will some abbreviated form of inquiry be possible?

Mr. Goodlad: The terms of reference for any future inquiry will be set in the light of circumstances prevailing at the time.

Mr. Tony Lloyd: What is the Government's view about a safe or acceptable level of radiation exposure for the public, and how will that level be affected by the type of building programme for nuclear power stations that the Minister has discussed?

Mr. Goodlad: The Government attach the highest possible importance to nuclear safety, and any planning applications will be subject to the necessary consents.

Mr. Heathcoat-Amory: Is my hon. Friend aware that electricity is considerably cheaper in France, which is substantially dependent on nuclear energy? Does he therefore agree that anyone interested in cheaper energy prices for pensioners and other low-income groups should welcome an expansion of Great Britain's nuclear energy programme?

Mr. Goodlad: My hon. Friend makes an important point.

Colliery Closures, Yorkshire

2. **Mr. Barron** asked the Secretary of State for Energy if, when he next meets the chairman of the National Coal Board, he will discuss the proposed colliery closures in Yorkshire.

The Parliamentary Under-Secretary of State for Energy (Mr. David Hunt): Individual closures are a matter for the National Coal Board in consultation with the mining unions.

Mr. Barron: I am pleased that the NCB is considering having consultations with the mining unions on closures. More than 95,000 people are unemployed in South Yorkshire at present, and the NCB proposes to get rid of job opportunities for another 10,000 people. How many jobs does the Minister think that NCB (Enterprises) Ltd. will create in South Yorkshire to try to stem that ever-increasing tide of unemployment?

Mr. Hunt: I agree with the hon. Gentleman that the role of NCB (Enterprises) Ltd. is vital. The number of jobs created will depend upon the circumstances at the time and the number of applications, but I know that there is good will on both sides of the House for the vital work of that strategic organisation.

Mr. Mason: Is the Minister aware that of the 10,000 job losses that have been announced in Yorkshire since the strike ended, 3,000 are in Barnsley and district? With the knock-on effects, that will bring the unemployment rate in my area to 21·5 per cent. That is a ruthless pace of change and the local authorities cannot create sufficient jobs to neutralise such job losses. Is the hon. Gentleman further aware of the existence of the coalfield communities campaign, in which 54 local authorities, representing 16 million people, have banded together to try to create jobs in coal mining communities? What are the Government and the National Coal Board prepared to do to help?

Mr. Hunt: As I said in reply to the previous question, it is vital that NCB (Enterprise) Ltd. should have good will on both sides of the House. My right hon. Friend and I look forward to discussing these important issues with the coalfield communities campaign.

Mr. Andy Stewart: Does my right hon. Friend agree that the Opposition would have done better to address themselves to the question of where the blame lies for all the unemployment and trouble? It lies with the president of the NUM?

Mr. Hunt: It is vital that the House should appreciate the significance of that comment. I believe that the coal industry in Yorkshire has a very good future. It has a

marvellous showcase in the Selby coalfield, which, thanks to record investment by this Government, illustrates how one can harness new technology to create low-cost high outputs. That is the great future in Yorkshire.

Mr. Ryman *rose——*

Mr. Speaker: Order. Is the hon. Gentleman's supplementary question about Yorkshire?

Mr. Ryman: Of course it is, Mr. Speaker.

Is the Under-Secretary of State satisfied with the machinery for operating the colliery review procedure in the case of the threatened closure of a pit? Is the hon. Gentleman aware — I shall be most interested in his views—that the colliery review procedure is a farce? It contravenes every rule of judicial impartiality. The decision to be made in respect of a proposed colliery review procedure — [HON. MEMBERS: "In Yorkshire."] in Yorkshire or anywhere else — may be pre-empted because the regional director of the NCB can so manipulate affairs that the procedure does not operate fairly. For example, the regional director can empty a pit of men, as he has done at Bates' colliery in Northumberland.

Mr. Hunt: I believe that there is a very good existing colliery review procedure. I am pleased with what I believe to be a reasonable offer put by the NCB to the three unions concerned, thereby improving that procedure and fulfilling the agreement reached last October with NACODS. I hope that the modified procedure will be put in place as quickly as possible.

TUC Fuel and Power Industries Committee

3. **Mr. Wrigglesworth** asked the Secretary of State for Energy when he last met the members of the Trades Union Congress fuel and power industries committee; and what was discussed.

The Minister of State, Department of Energy (Mr. Alick Buchanan): I met members of the committee on 27 February to discuss oil refining policy.

Mr. Wrigglesworth: In view of the enormous importance of the energy sector to the whole of British industry and to domestic users, will the right hon. Gentleman and his colleagues discuss with the TUC the contribution which the different sectors of the energy industry can make towards reducing costs and improving efficiency, thereby helping the competitiveness of British industry?

Mr. Buchanan-Smith: The TUC committee requested a discussion on the refining industry. We had a very good meeting on that subject. Energy as a whole is extremely important, not only to British industry, but to the economy.

Coal Industry

4. **Mr. Douglas** asked the Secretary of State for Energy if he will make a statement on the reduction in the level of output, manning and number of pits in the British coal industry since the end of the dispute in the industry.

The Secretary of State for Energy (Mr. Peter Walker): Since the end of the strike, production has recovered well in most areas. I understand that coal deliveries last week were over 2·5 million tonnes, the highest for five years.

Mr. Douglas: Will the right hon. Gentleman give some indication of coal imports? Will he give me an assurance about investment in the Comrie colliery in Fife and the Longannet complex? Will he also comment on morale in the industry, especially in Scotland where 203 men who were dismissed during the strike have not been re-employed because of the obduracy and bone-headedness of the NCB chairman?

Mr. Walker: I think that morale in the industry would have been adversely affected by some of the violence displayed in Scotland. Obviously, such a dispute will have certain effects. I shall write to the hon. Gentleman about investment in the colliery to which he referred.

Mr. Maude: Does my right hon. Friend agree that it is crucial for the NCB to move from high-cost to low-cost capacity, and that an important contribution to that change will be the speedy implementation of the plans for the south Warwickshire prospect?

Mr. Walker: I believe that a general welcome has been given to the fact that in south Warwickshire there is potential for a very heavy investment programme and production of coal at low cost. That is certainly important to the industry's future.

Mr. Ray Powell: I remind the Secretary of State that the purpose of the coal mining dispute was primarily to fight against pit closures. Is the right hon. Gentleman aware that the NCB has already announced the closure of St. John's colliery in Maesteg? Three weeks ago, I asked the rigt hon. Gentleman whether he would set up an inquiry to ascertain why that colliery would be closed and whether he would give me some details. I remind him that on Saturday I attended the last function of the mining apprentices club in mid-Glamorgan. That club, which was established 15 years ago, has had to be wound up because it no longer has sufficient apprentices.

Mr. Walker: At regional level, I know that the proposals for Wales are being discussed among the unions. The modified pit closure procedure that has been suggested by the NCB will be raised in further discussions with those unions. Any closure will be fully looked at, if necessary by an independent group, before any final decision is made.

Mr. Peter Bruinvels: Why should my right hon. Friend have to talk about reductions in coal output when it was Scargill who caused such reductions? Should not my right hon. Friend congratulate pits, such as the Leicestershire coal mines, on their excellent output and good manning levels? Will he join me in criticising what the Select Committee on Employment has done? That Select Committee, and no one else, has diminished morale in the industry. We should be encouraging our miners to get on with the job of producing more coal.

Mr. Walker: In my reply I said that production in most parts of the country is fast returning to normal levels, and in some areas it is at very high levels. The fact that more coal was moved last week than at any time for five years is another reflection on the fact that the industry needs encouragement and that some people should not take the attitude that my hon. Friend has mentioned.

Mr. Orme: What discussions has the Secretary of State had about a new "Plan for Coal"? He will be aware that the present plan runs out this year. Does he agree that if

we are looking to the future of the industry there should be an overall plan, which could be agreed between the unions, the Government and the NCB?

Mr. Walker: Yes. I gather that in that sphere the board is preparing views to put to the unions. There will be a meeting with the unions to discuss in principle what is required for a plan that will produce coal at the right price to take full advantage of the market opportunities and of the high investment that has gone into that industry. Therefore, I believe that talks will take place along the lines that the right hon. Gentleman envisages.

EC Energy Policy

5. **Mr. Knox** asked the Secretary of State for Energy whether he is satisfied with progress towards the development of a European Community energy policy.

Mr. Goodlad: We are now satisfied that progress is being made.

Mr. Knox: Does my hon. Friend realise that some of us feel that progress has been disappointingly slow so far? Do the Government intend to take any initiative to try to speed up progress in achieving such a policy?

Mr. Goodlad: I note my hon. Friend's view. Community energy objectives provide a framework for national energy programmes and actions. This country's policies have made a major contribution to improving the Community's energy position. We share the Commission's view that we need to continue with effective policies for the future.

Mr. John David Taylor: Will the Minister confirm reports that the French authorities have offered to provide cheaper electricity by cable to the United Kingdom? If so, what is the Government's response?

Mr. Goodlad: The Central Electricity Generating Board and EDF have agreed to construct a 2,000 MW cross-Channel link. The first half will be available later this year, and the second half a year later. The CEGB has agreed with EDF the commercial arrangements for the operation of the first half of the link during the first two years. There are no agreements covering the period after that.

Mr. Beaumont-Dark: Could my hon. Friend translate into one of the European languages what he means by "progress"? How much progress, how much cost and how long?

Mr. Goodlad: I understand that the rules of the House forbid me to translate into foreign languages.

Mr. Rowlands: The Minister might try Welsh, and he might get away with it. Is he aware that the Secretary of State has given repeated assurances that he will not allow the Commission to interfere in the financing and subsidising of the national coal industry in the United Kingdom? Is he further aware that there is an attempt to dilute the national veto over several areas in the EEC context which are to be discussed in the next few weeks? Will the hon. Gentleman assure us that it will remain the right of our Government to decide on the subsidising and financing of the National Coal Board?

Mr. Goodlad: Yes, Sir. No Commission proposals have been received yet, although, as the hon. Gentleman knows, new Community legislation will be required by the end of the year to regulate national aids for coal. Otherwise, they would breach the European Coal and Steel Community treaty. My right hon. Friend the Secretary of State has already told Commissioner Mosar that the proposals will have to reflect the interests of the major coal-producing member states. Energy programmes carried out under article 235 require unanimous Council agreement. The ECSC treaty contains provision for majority voting in some cases. However, any decision to replace the existing state aids regime would require Council unanimity.

Dismissed Miners (Scotland)

6. **Mr. Orme** asked the Secretary of State for Energy what discussions he has had with the chairman of the National Coal Board about the re-employment of dismissed National Union of Mineworkers' members in Scotland.

Mr. Peter Walker: Of 9,808 miners arrested during the dispute, more than 7,000 were charged. Of the 5,653 cases so far dealt with, 4,318 were convicted. It is against those figures that one must recognise that 1,019 were dismissed. The board has been reviewing dismissal cases, and 414 miners who were dismissed have been re-employed. I have been assured by the chairman, as he assured the Select Committee on Employment, that area management is continuing the board's policy of reviewing dismissal cases.

Mr. Orme: On a point of order, Mr. Speaker. This question relates specifically to Scotland. Why did the Secretary of State not answer it?

Mr. Walker: The facts, figures and the whole approach apply to Scotland in the same way as to everywhere else.

Mr. Orme *rose*——

Mr. Speaker: Order. Will the right hon. Member for Salford, East (Mr. Orme) confine his question to Scotland, because I shall expect every other hon. Member who is called to do the same?

Mr. Orme: Is the Secretary of State aware that the decisions that have been taken in Scotland are outrageous, because, of 203 men who have been dismissed, not one has been reinstated? Is this not a matter of natural justice, as has been underlined by the all-party Select Committee report? What action is the right hon. Gentleman prepared to take over Scottish miners who have been dismissed?

Mr. Walker: The right hon. Gentleman used the phrase "all-party Select Committee report". It is true that one Conservative Member agreed with parts of that report, but, as the right hon. Gentleman well knows, that report has been widely condemned for having no—*[Interruption.]* A report which failed to deal completely with the violence that took place—*[Interruption.]* I assure the House that matters in Scotland are being reviewed on the same basis as elsewhere. Those cases will be carefully considered. I hope that the right hon. Gentleman, on behalf of the Opposition, will condemn the view, expressed by the right hon. Member for Chesterfield (Mr. Benn) and by the leader of the NUM, that people who are convicted of violence should receive an amnesty.

Several Hon. Members *rose*——

Mr. Speaker: I call Mrs. Currie to ask a question about Scotland.

Mrs. Currie: Has not each Scottish miner who was sacked exactly the same right as sacked miners elsewhere to go to an industrial tribunal—*[Interruption.]* Is it not also a fact that in some parts of the country — *[Interruption.]*

Mr. Speaker: Order. The hon. Lady should be allowed to ask her question.

Mrs. Currie: Is it not also a fact that in some parts of the country sacked miners are being reinstated by industrial tribunals and that their rights are being upheld? Does not the unwillingness of the Scottish miners and others to go to court show that they are not interested in staying within the law or using it when it is to their benefit?

Mr. Walker: My hon. Friend is quite right. The NCB made it clear to the Select Committee that it will carefully consider any tribunal findings.

Mr. Donald Stewart: Is the Secretary of State aware that, despite what the hon. Member for Derbyshire, South (Mrs. Currie) said, sacked miners in Scotland do not apparently have the same rights as other miners in the United Kingdom? It is quite clear that the policy being pursued in Scotland is vicious and irrational compared with the policy being followed in other regions of the United Kingdom. People who did not support the strike, or were not fully behind it, now see that a totally vicious policy is being pursued in Scotland. If the Secretary of State takes no action, it will be clear that he is pursuing the same policy as the National Coal Board.

Mr. Walker: As the board has told the Select Committee, it is continuing to review all cases, including those in Scotland. Many people in Scotland who witnessed some of the events around Bilston Glen certainly believe that it is right that some of the miners involved should have been dismissed.

Mr. Baldry: Does my right hon. Friend agree that in Scotland and elsewhere the NUM thought that at the end of the dispute it could secure a general amnesty, as it succeeded in doing in 1972 and 1974, and, therefore, many miners were encouraged to participate in violence or intimidation, in the hope that they would have immunity in the short term and in the belief that they could secure an amnesty in the long term? Is it not extraordinary that in the middle of the 20th century anyone should argue that employers should be forced to retain or reinstate men who have burnt their buses, smashed their equipment and assaulted their staff? Is it not right to deal with such conduct through industrial tribunals? Has my right hon. Friend noticed that the Select Committee, whatever else it said, could not bring itself to say that miners had been unfairly dismissed in the dispute?

Mr. Walker: The points made by my hon. Friend, who served on the Select Committee, are perfectly correct. Regarding the arguments about an amnesty, it is interesting that both the president of the NUM and the right hon. Member for Chesterfield have said that not only should an amnesty be given by the National Coal Board, but that if a Labour Government came to office an amnesty would be given for sentenced miners, no matter what they were sentenced for by the courts. So far we have no sign from the Leader of the Opposition that he disagrees with that view.

Mr. Douglas: Will the Secretary of State pause and consider the question that was asked, which was specifically about Scotland? Two hundred and three men have been dismissed, and not one of those cases has been discussed by the board in Scotland with a view to re-engagement. I gave some information to the Parliamentary Under-Secretary of State, but will the Secretary of State undertake to meet Scottish Members of Parliament and go through this issue and then meet the National Coal Board to ensure fairness and justice, because we are manifestly not getting that at present?

Mr. Walker: As the hon. Gentleman knows, I have never refused to meet Members of Parliament on any question, and I will always meet them.

Mr. Neale: Does my right hon. Friend accept that many of his Conservative colleagues feel strongly that he should not intervene in matters where miners have been dismissed in this way, and neither should Parliament? Does he accept that if the Select Committee's report, which was decided on the casting vote of the Chairman —and an Opposition Member at that—were put into effect by the House it would lead to the peculiarity of giving miners rights under the law which no other groups enjoy?

Mr. Walker: I am interested to know whether there is a similar desire by the Select Committee to investigate some of the ghastly instances of intimidation of working miners which took place.

Mr. Foot: Is it not the case that many of the individual decisions being taken by the board not to reinstate miners —Scotland is the worst affected, but other parts are also affected—will poison relations for weeks, months and perhaps years to come? Is it not also the case that the Secretary of State has the right to intervene? If so, why does he not do so?

Mr. Walker: The point is made clearly by the figures that I gave to the House. Of 5,653 convictions, slightly more than 1,000 were dismissed, and already 414 have been reinstated. Those figures show that careful consideration has been given.

British Gas

7. **Mr. Colvin** asked the Secretary of State for Energy whether he will make a statement on the expansion plans of British Gas prior to privatisation.

Mr. Buchanan-Smith: No, Sir. Business plans are a matter for the corporation.

Mr. Colvin: That reply was not particularly helpful. Will my right hon. Friend tell the House what steps he intends to take to persuade British Gas to honour such commitments as it has entered into to expand services to rural areas, because there is a growing feeling in rural areas, especially among domestic consumers, that if they did not get gas prior to privatisation they will never get it?

Mr. Buchanan-Smith: My hon. Friend raises an important and sensitive issue, and I am glad to reassure him that the present obligations of the British Gas Corporation will be carried over to the new company.

North Sea Oilfields

8. **Mr. Skeet** asked the Secretary of State for Energy what information he has about the cost of production of North sea oilfields recently brought on stream.

Mr. Buchanan-Smith: The average cost per barrel for fields which started production between 1980 and 1984 is estimated to be £9. The corresponding cost for fields now under development is £13.

Mr. Skeet: Does my right hon. Friend agree that the reduction in oil prices and movements in the exchange rate will affect the profitability of those fields and that something must be done for them? Will he recommend mergers and the rationalisation of some small firms which have applied and been successful in the ninth round?

Mr. Buchanan-Smith: Of course if the price of oil falls that affects profitability. However, I hope that my hon. Friend will reflect on the figures that I have given. The price will have to fall a long way before the North sea becomes unprofitable.

Mr. Rowlands: Is the Minister aware that the future lies in enhanced oil recovery from existing fields? Since nothing was done this year to encourage that development, what urgent consideration is he giving to future proposals in this regard?

Mr. Buchanan-Smith: As the hon. Gentleman knows, this matter was considered in the preparation for the Budget this year, and a case was not made out on the information presently available. My right hon. Friend the Chancellor of the Exchequer has invited the industry to reconsider its case, and has said that he will consider it when it is presented. The hon. Gentleman has raised an important issue.

Coal Mines (Ownership)

9. **Mr. Leigh** asked the Secretary of State for Energy what is his policy towards the sale of deep mines surplus to National Coal Board requirements to other operators; and if he will make a statement.

15. **Mr. Willie W. Hamilton** asked the Secretary of State for Energy what recent representations he has received regarding the future ownership and structure of the coalmining industry; and if he will make a statement.

Mr. Peter Walker: The Government have no plans to privatise the mining activities of the National Coal Board.

Mr. Leigh: Just as launching other nationalised industries on the road to profitability was a precursor to privatisation, will the defeat of the Luddites in the NUM, and turning back the Coal Board from everlasting reliance on state subsidies, be a precursor to the gradual privatisation of pits? If not, why not?

Mr. Walker: The present losses and deficits in the industry are a great disadvantage to the country, to those who work in the industry and to its prospects. However, I hope that we shall find ways of giving NCB employees much more direct participation in the industry than they enjoy under nationalisation.

Mr. Willie W. Hamilton: Is the Minister aware that the NUM and others in the mining communities will welcome his statement that neither he nor the Government have any intention of privatising the coal industry? However, since it is an important part of the work of the industry to improve industrial relations, does he accept that until he gets rid of Mr. MacGregor as the chairman of the NCB industrial relations will not improve to the point that we require?

Mr. Walker: At present, there are plenty of examples of co-operation and of pits going well. I gave the figures for the production and distribution of coal this week, and there are some encouraging signs. I do not wish to become involved in making judgments on any personalities. Mr. MacGregor's definition that the best future for the industry would be to have an expanding market with highly effective coal production as a result of high investment is the only sensible analysis of the future of the industry. I should have liked to give the hon. Gentleman a more helpful reply in his birthday week, but I regret that I cannot do so.

Mr. Rost: Does my right hon. Friend at least have plans to liberate opencast operations from the restrictive patronage of the NCB?

Mr. Walker: It is important that we take advantage of the opencast opportunities that exist. In some parts of the country, especially Scotland and Wales, such a step would be important for jobs.

Mr. Barron: Although I do not agree with the privatisation of the coal mining industry, does the Minister believe that selling surpluses will do any good? Presumably, the reason for closing collieries now is that the coal is surplus to requirements. What is the sense of selling them?

Mr. Walker: The sense is to produce coal in the future at a price at which the world wishes to buy it.

Mr. Eggar: If approaches were made by other operators or by miners currently employed by the NCB to purchase NCB assets or to become involved in joint ventures with the NCB, would the Government stand in the way of an NCB decision to sell its assets?

Mr. Walker: The NCB is considering several such applications from miners. However, the matter is more complicated than it sounds, because I fear that the miners who have made applications in respect of the pits at which they work have not taken into their calculations the enormous investment that is required to maintain safety standards in pits. That is not a simple process. Any approach by miners will be considered by the National Coal Board and be regarded sympathetically by the Government.

British Gas

11. **Mr. Pike** asked the Secretary of State for Energy what recent representations he has received regarding his proposals to privatise the British Gas Corporation.

Mr. Peter Walker: I have received a number of representations from various organisations and individuals. I have also met the chairman of the National Gas Consumers Council and will be meeting representatives of unions.

Mr. Pike: Does the Secretary of State admit that the move towards privatisation of the British Gas Corporation arises out of political dogma and to help raise money that

the Government need? Does he accept that the best interests of consumers and of safety will be served by leaving the corporation in public hands?

Mr. Peter Walker: No. The move to privatise the British Gas Corporation will be good for consumers, employees and the country.

Mr. Portillo: Has my right hon. Friend received any representations from the gas producers? Is he afraid that the monopoly position of British Gas might discourage exploration in the North sea, to the detriment of jobs in Britain?

Mr. Walker: I have received no such representations, but I can assure my hon. Friend that British Gas and the Government have a vested interest in encouraging the maximum development of the North sea. I can assure my hon. Friend that that will take place.

Mr. Wrigglesworth: Is the Secretary of State aware that the country will not be able to judge whether the move will benefit anyone until we have seen the details of the proposals? Will the right hon. Gentleman publish the details long before legislation is brought before the House? In particular, will he tell the House on what principles gas prices will be fixed?

Mr. Walker: Of course we shall publish proposals in advance of legislation. Knowing the terrific mental application of the Social Democrats, I am sure that they will have no difficulty in formulating their view long before legislation is introduced.

Mr. Andy Stewart: Is it because of what my right hon. Friend has said that British Gas has taken space in the country's Left-wing magazines' colour supplements in the last fortnight?

Mr. Walker: I do not know whether one would describe *The Economist* and the *Spectator* as Left-wing magazines, but since British Gas advertise in them, too, a tolerable balance has been achieved.

Mr. Orme: Will not the proposals be good for Rothschild's as well? In view of the role that it played in Britoil and Amersham International, is this not another disgraceful appointment by the Government?

Mr. Walker: Rothschild's had its association with Waterloo, and perhaps the right hon. Gentleman's remarks will go the same way.

Coal Industry

12. **Mr. Spencer** asked the Secretary of State for Energy if, when he next meets the chairman of the National Coal Board, he will discuss the future development of the coal industry in Leicestershire.

Mr. David Hunt: I am aware of the National Coal Board's plans for the development of the coal industry in Leicestershire and expect to discuss them with the chairman of the board from time to time as they develop.

Mr. Spencer: Does my hon. Friend agree that the development of the industry in Leicestershire is an admirable model for other parts of the country, with its high investment, high wages and high productivity? Does he agree also that the coal industry as a whole would do better to concentrate on a rosy future rather than on looking over its shoulder at the outworn ideas and outworn pits of the past?

Mr. Hunt: My hon. Friend put the agument well. There is an exciting future for the industry in the area, with the movement towards low-cost, high productivity pits. I understand from the National Coal Board that work on the sinking of the shaft at Asfrodby will begin next month. Productivity at such pits is expected to reach five times the national average. That is good news for everyone connected with this great industry.

Mr. Janner: Is the Minister aware that high productivity and excellence in the coal mining industry in Leicestershire has not prevented what will be the devastation of that industry by the closing of a considerable number of pits and by saving only a few jobs as a result of opening the mine at Asfordby? Will the Minister promise that the remaining pits in the Vale of Belvoir will soon be open so that the production to which he refers can save the industry, not only in Leicestershire, but in the midlands, where it is so badly needed?

Mr. Hunt: The hon. and learned Gentleman has his facts wrong. The numbers employed in the coal industry in that area will increase by the end of the century. I wish that the hon. and learned Gentleman would spend his time paying tribute to the miners in the south midlands area, who worked throughout the strike and showed their good sense and support for an industry that will produce competitively priced coal.

13. **Mr. Woodall** asked the Secretary of State for Energy if, when he next meets the chairman of the National Coal Board, he will discuss industrial relations in the coal industry.

Mr. Peter Walker: My regular discussions with the chairman cover all major aspects of the coal industry.

Mr. Woodall: Is the Secretary of State aware that industrial relations in the mining industry are at zero level? Are they not worse than they have ever been since the pits were nationalised in 1947, and almost as bad as they were under private enterprise? Is the right hon. Gentleman further aware of the position at South Elmsall Frickley colliery where workmen and retired workmen have held fishing rights on two ponds for more than 60 years? The ponds were acquired by the NCB in 1974 to provide water for washing and fire fighting. Does he realise that the NCB has told the miners that they can no longer fish those two ponds? That has caused a great deal of upset in the village.

Is the right hon. Gentleman aware that Acton Hall colliery in Featherstone——

Mr. Speaker: Order. I hope that this is related to industrial relations.

Mr. Woodall: It certainly is, Mr. Speaker.

Is the Secretary of State aware that Acton Hall colliery is the first to have its closure announced since the strike, that all men over 50 have been made redundant, that men under 50 have been asked to volunteer for redundancy and that 112 have volunteered with 17 being made redundant? The others will be transferred——

Mr. Speaker: Order. The hon. Gentleman must not make a speech.

Mr. Walker: I recognise the hon. Gentleman's considerable anxiety about the problems in his constituency. Obviously, I do not know about the fishing rights and therefore cannot comment on that. As the figures I have given show, over much of the country

production is increasing and acceptance of change is taking place in a good way. I hope that everybody will encourage that. There is no doubt that if we continue with the sort of approach that stops development, investment and sensible production of coal, the industry will have a bad future rather than a good one. There is a duty on the leadership of the NUM to pay far more attention to encouraging productivity rather than encouraging dissatisfaction.

HOUSE OF COMMONS

Parliamentary Lobbying

29. **Mr. Willie W. Hamilton** asked the Lord Privy Seal what recent representations he has received on the amount of parliamentary lobbying by outside interests and the number of hon. Members being retained by such outside interests; and if he will make a statement.

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): I have received a number of representations on this topic, and a report on parliamentary lobbying has also been made recently by the Select Committee on Members' Interests.

Mr. Hamilton: Is the right hon. Gentleman aware that the Select Committee report to which he referred fudged the issue posed in my question? Is he not concerned about the rapid growth of what I call parliamentary political prostitution, because hon. Members — especially Conservative Members — are selling their services to outside interests for unknown sums of money? That is bringing Parliament into great disrepute. Will he given an undertaking that the report will be debated in the House at a very early date?

Mr. Biffen: I take at once the concern that the hon. Gentleman expresses, which I imagine is in the context of the fact that the current Register shows that 120 Members of Parliament are now parliamentary consultants — an increase of 50 per cent. on the Register for the previous year. However, I doubt whether the debate is elevated by partisan accusations. I shall, of course, consider his point about a debate.

Mr. Marlow: Is my right hon. Friend aware that there are a small number of Opposition Members who move heaven and earth to ensure that large numbers of immigrants are allowed to stop in this country? Will he investigate whether they are doing that with the best parliamentary interests in mind, or whether other things are at the back of their minds?

Mr. Biffen: I think that that question goes somewhat wide of the original question. I do not think that I would encourage a detached assessment of the problem if I followed that line.

Secretarial and Research Allowances

30. **Mrs. Clwyd** asked the Lord Privy Seal what recent representations he has received from hon. and right hon. Members about the level of secretarial and research allowances; and if he will make a statement.

36. **Mr. Sedgemore** asked the Lord Privy Seal what recent representations he has received from hon. and right hon. Members about staffing facilities; and if he will make a statement.

Mr. Biffen: I have received a number of representations from right hon. and hon. Members about this matter, including several parliamentary questions.

Mrs. Clwyd: Is the Leader of the House aware that 202 Members of Parliament, from both sides of the House, have signed a motion showing general dissatisfaction with the present system? Most hon. Members underpay their staff if they employ more than one. Will the right hon. Gentleman receive an all-party deputation to discuss this matter further?

Mr. Biffen: Certainly.

Mr. Sedgemore: Is the right hon. Gentleman aware that his parsimony and puritanism in these matters are making this legislature the laughing stock of the Western world? Why does he side with the Executive in seeking to turn Members of this legislature into a squalid version of Ruritania?

Mr. Biffen: The hon. Gentleman has a good turn of phrase in personalising all these great matters. It is not my parsimony but a vote of the House, by 95 to 52, which set the present scales for the secretarial and research allowance.

Mr. Soames: Is my right hon. Friend aware that there are those who consider the allowances to be perfectly adequate—*[Interruption.]*

Mr. Speaker: Order. Every point of view is expressed in the House.

Mr. Soames: Is my right hon. Friend aware that there are those in this House who believe that to ask for more is a load of pretentious nonsense?

Mr. Biffen: I note what my hon. Friend says, and I look forward to the possibility that, in her generosity, the hon. Member for Cynon Valley (Mrs. Clwyd) will ask him to join her delegation.

Mr. Forth: Does my right hon. Friend consider that he should also give weight to the 450 right hon. and hon. Members who have not signed the motion to which the hon. Member for Cynon Valley (Mrs. Clwyd) referred? Has he also considered that the excessive number of written questions now appearing on the Order Paper indicates an excessive number of research assistants already?

Mr. Biffen: My hon. Friend makes a fair point, but I must also have regard to the fact that the present level was determined by a vote of the House about 12 months ago. In any case, we have a provision for its review in due course.

Private Members' Bills

31. **Mr. Beith** asked the Lord Privy Seal whether he will refer to the Procedure Committee the question of time for Private Members' Bills.

Mr. Biffen: I understand that the Committee is considering how best to deal with these matters.

Mr. Beith: When a Bill has been strongly supported on Second Reading and extensively discussed in Committee, does the Leader of the House think it right that the House should be able, if it chooses, to extend its sitting hours to reach a decision on the matter? If he does not

think that, will he accept the degree of restraint on the Government's legislative enthusiasm that would result if he stopped tabling motions asking hon. Members to sit after 10 o'clock to consider Government Bills?

Mr. Biffen: That is precisely the type of question that should be central to the considerations of the Procedure Committee.

Sir Geoffrey Finsberg: The House passes a resolution saying what amount of time should be allocated to private Members. Is my right hon. Friend aware that, however strongly those of us who support a particular Bill feel about it, we feel even more strongly that those conventions passed by resolution should not easily be overturned?

Mr. Biffen: That is a reasonable general proposition, but when tested in certain singular circumstances, great passions are released and the task that has been given to the Procedure Committee will be formidable when it looks at the principles that are involved in the governing of private Members' time.

Register of Members' Interests

32. **Mr. Winnick** asked the Lord Privy Seal if he has received any proposals for changes in the Register of Members' Interests.

Mr. Biffen: The Select Committee on Members' Interests has recently reported to the House and recommended that various categories of non-Members having access to Parliament should be required to register details of their employment outside the House.

Mr. Winnick: While welcoming that recommendation, which I hope will soon be implemented, may I ask whether the right hon. Gentleman is aware that a further change that is undoubtedly required is for right hon. and hon. Members to state in the Register the source and amount of income received? Does he agree that without details of the amounts of money received, the Register is of limited importance?

Mr. Biffen: The hon. Gentleman is right to remind us of the limitations of the Register and, therefore, of the extent to which one should try to place significance on it. In calling for the degree of relevation contained in his supplementary question, I think he will find that he has touched on a very controversial issue indeed.

Mr. Harris: Will my right hon. Friend stick to his present line of refusing to recommend to the House the setting up of a register of political lobbyists, partly because to do so would be giving a bogus status to those lobbyists, but also because the House cannot enforce the present Register of Members' Interests, since the right hon. Member for South Down (Mr. Powell) cocked a snook at the requirement to register his interests?

Mr. Biffen: I very much agree that whatever the House decides in this area should be related to enforceability. On reflection, I think that the evidence that I gave on this issue was well placed.

Mr. Faulds: Will the Leader of the House accept that I share the animadversions of my right hon. Friend the Member for Fife, Central (Mr. Hamilton) on the recent report on lobbying? Does he agree that it was an extraordinarily superficial exercise? Is it not time that we had a much more stringent and profound examination of the whole question of Members' interests and lobbying in the Palace?

Mr. Biffen: The hon. Member for Walsall, North (Mr. Winnick) has only recently commended the report. However, it has now been attacked by two hon. Members. That goes to demonstrate that there is no general judgment of view upon it. I take the hon. Gentleman's point about the significance——

Mr. Faulds: Has the right hon. Gentleman read it?

Mr. Biffen: Yes, I have. I trust that I am joined in that eccentricity by the hon. Gentleman.

CIVIL SERVICE

Civil Service Unions

40. **Mr. Soley** asked the Minister for the Civil Service when he last met the Civil Service unions; and what matters were discussed.

41. **Mr. Teddy Taylor** asked the Minister for the Civil Service when he next plans to meet representatives of the Civil Service unions.

The Minister of State, Treasury (Mr. Barney Hayhoe): I last met the Civil Service unions on 14 June, with my right hon. Friend the Chancellor of the Exchequer, when matters relating to the pay of the non-industrial Civil Service were discussed. Neither I nor my right hon. and noble Friend the Chancellor of the Duchy of Lancaster have any specific plans to meet the Civil Service unions now.

Mr. Soley: When the Minister next meets the Civil Service unions, will he undertake to discuss with them a further review of security procedures in the Civil Service? Is it not time that he accepted Lord Denning's original definition of subversion as an attempt to overthrow parliamentary democracy by unlawful means? If he does not think that that is an acceptable definition, will he tell the House what he thinks is wrong with it?

Mr. Hayhoe: If the Civil Service unions wish to discuss that issue with me, I am sure that they will be in touch with my office to arrange a suitable time.

Mr. Taylor: Does my right hon. Friend agree that it is desirable that we should have an early settlement of current pay claims? Is he aware of the special problem that is faced by the Civil Service in some areas near London because of the vast number of civil servants who are resigning as a result of the wide difference between salaries in the public and private sectors?

Mr. Hayhoe: There are a number of people who are resigning from the Civil Service. There are particular difficulties in and around London for specific grades, but, generally speaking, there is no great problem. It is in areas of specialist experience and knowledge where there are sometimes particular problems. Special measures have been taken to deal with them and will be taken again if necessary.

Mr. Boyes: Does the Minister recall that when a strike of computer operators took place at Newcastle in 1984 it was over a sum of about £50,000? Is he aware that the Minister for Social Security has told me that the

Government spent £145 million over that strike? When the right hon. Gentleman next meets the Civil Service unions, will he justify spending £145 million of taxpayers' money to save £45,000 to £50,000? Will he consider telling hon. Members how he can justify such an outrage?

Mr. Hayhoe: The figures that the hon. Gentleman has quoted show the great irresponsibility of the local Civil Service union leaders who were responsible for the strike, which I know was not supported nationally. It arose over an issue on which there was no need for a strike to have taken place.

Mr. Key: What further special measures will my right hon. Friend consider taking in special circumstances in the Civil Service, bearing in mind that in some areas, such as Boscombe Down and Porton Down in my constituency, there is great unrest in a loyal Civil Service about the threat of contractorisation.

Mr. Hayhoe: The special measures that I had in mind were along the lines that we followed earlier, of responding when there is an absolute need to increase pay. We have done that recently, for example, for inspectors of taxes. Measures like that can be taken. I believe that it is the majority view in the House that if there are areas within the public sector where work can be carried out more efficiently by the private sector, we should move in that direction with all due speed.

Mr. Winnick: As the Minister responsible for answering Civil Service questions in the House, is the right hon. Gentleman aware that of the immense admiration felt on the Labour Benches for the people at GCHQ who refused to give up their trade union membership, despite all the pressure from the Government? Does he realise that those are the very people who uphold our democratic claims? As they are not in Latin America or Eastern Europe, should they not be allowed to retain their union membership and their employment?

Mr. Hayhoe: The hon. Gentleman is trying to re-run matters which have been fully debated in the House. In any case, he knows that they are the primary responsibility of my right hon. Friend the Foreign Secretary.

Mr. Eggar: Is my right hon. Friend able to say how many people are now employed in the Civil Service? Is he satisfied that the unions are co-operating fully with the financial management initiative and other value-for-money initiatives?

Mr. Hayhoe: I commend the great co-operation that civil servants, from the low grades to the higher grades, are giving in trying to provide better value for money. The number of civil servants is now just below 600,000. It is the first time that the figure has been at that level since the end of the second world war. That is a remarkable achievement.

Dr. McDonald: Is the Minister aware that the letter from the chairman of the Board of Inland Revenue dated 24 May 1985 to the Association of Her Majesty's Inspectors of Taxes is the subject of one of a long series of complaints brought by the Council of Civil Service Unions and the Trades Union Congress, under convention 151 of the International Labour Organisation, about the Government's behaviour as an employer, and is at present being considered by the ILO?

Is the Minister aware that he may have misled the House about the nature of the letter, during the last Civil Service Question Time, by quoting selectively from it?

Is the Minister further aware that the letter implies that the career prospects of Inland Revenue staff could be put at risk by taking industrial action, since the chairman's letter clearly states that that is one of a number of factors that will be relevant to decisions about promotion? Will he now agree that that is no way to conduct industrial relations within the Civil Service?

Mr. Hayhoe: Those matters were not discussed when I last met the Civil Service unions, nor, to my knowledge, are they seeking a meeting on them. Matters concerning the ILO are for my right hon. Friend the Secretary of State for Employment.

The hon. Lady spoke of misleading the House. As I placed the full text of the letter in the Library of the House immediately after quoting from it, I do not see how it can be suggested that I misled the House. I admit that, having quoted only a sentence or a phrase from the letter, by definition that was a selection, but I thought that it put the balance right in view of the hon. Lady's question at that time.

There was nothing new about general policy in the letter, because I had made the same policy report to the House at Question Time some weeks before, so the hon. Lady's main charge falls completely.

Mr. Peter Bruinvels: Is it normal and decent for the Leicester DHSS to challenge all the Members of Parliament based within the city of Leicester to a debate on the social security Green Paper by writing to the *Leicester Mercury* rather than having the courtesy to write direct to Members of Parliament? Is the method of notifying the press rather than giving Members of Parliament a personal invitation——

Mr. Speaker: Order. The hon. Gentleman's point is somewhat wide of the question.

Mr. Hayhoe: It is certainly not my responsibility, but I suspect that my hon. Friend will be doing all right in the Leicestershire press.

HOUSE OF COMMONS

European Community Legislation

33. **Mr. Teddy Taylor** asked the Lord Privy Seal how many statutory instruments, draft directives and other legislative instruments recommended for further debate by the Select Committee on European Legislation are still awaiting debate on the Floor of the House; and if he will make a statement.

Mr. Biffen: At present there are 42 such documents recommended for debate on the Floor of the House. Many of these will, however, become relevant only when active negotiations resume in Brussels.

Mr. Taylor: The Government are constantly and rightly saying that we can and should pay more attention to public expenditure. Does my right hon. Friend feel that the revelation on Friday that the EEC is this year spending £7,000 million on destroying, dumping or storing surplus foods requires us to spend a little more time in considering EEC matters generally? Does he believe that it will be possible to get through the backlog by the end of the Session?

Mr. Biffen: We have made steady progress with the consideration of that type of document—46 have been debated so far this Session. I do not think that wider issues about the common agricultural policy flow directly from this question.

Mr. Marlow: On a point of order, Mr. Speaker. Would we not normally go back to Energy questions now?

Mr. Speaker: Order. The hon. Gentleman knows that we go back to the previous group of questions.

Mr. Skinner: Does the Leader of the House agree that, to get rid of all of these draft directives, it would be a good idea for his right hon. and hon. Friends to join the Opposition tomorrow night in saying that we will not vote that £252 million, whereupon the rest of the directives would become irrelevant?

Mr. Biffen: That is an attractive thought, but I do not think that it is entirely accurate.

Secretaries and Research Assistants

34. **Mr. Soley** asked the Lord Privy Seal what proportion of total cost of Members' salaries and allowances is represented by remuneration of hon. Members' secretaries and research assistants.

Mr. Biffen: The proportion in the financial year 1984-85 was approximately 22 per cent.

Mr. Soley: Does the Leader of the House agree that that figure, and some of the others that he has given today, show that the time is ripe for a conciliatory move by him towards hon. Members by allowing a debate and a vote on parliamentary allowances and facilities in the House?

Mr. Biffen: I thought that, though monosyllabic, my response to the hon. Member for Cynon Valley (Mrs. Clwyd) was conciliatory.

Select Committee on Employment (Report)

3.32 pm

Mr. Greville Janner (Leicester, West): On a point of order, Mr. Speaker. I wish to raise a point of order concerning the report of the Select Committee on Employment dated 19 June. In accordance with Standing Order No. 99, the Committee was appointed to examine the expenditure, administration and policy of the Department of Employment and associated public bodies. On 19 June, there were two Divisions in the Select Committee. The first was on an amendment proposed by a Conservative Member. As was said earlier at Question Time, that amendment was defeated by the Chairman's casting vote. The Committee then decided by five votes to three that that important report be submitted to the House, which it duly was.

I seek your guidance, Mr. Speaker, concerning the proper treatment of Select Committee reports, irrespective of whether they are presented by a casting vote, by a majority, by a member of one party or by a member of another. I should have thought that such reports should be treated with respect by the House and by the Government. A report of such substance which makes important recommendations should be debated. At the very least, the Minister concerned should make a statement, or a proper reply should be given. Instead of that, the Government have made no statement, have had no debate and have given no reply. They have merely referred to the report during Question Time, and the references have often been utterly irrelevant to the question being asked.

Mr. Speaker: Order. What is the point of order?

Mr. Janner: My point of order is whether it is in order for the Government to refuse to provide the House with any facilities to discuss a Select Committee report and to refuse to answer questions on a matter which affects many hundreds of British citizens.

Mr. Speaker: Order. The House and the hon. and learned Gentleman know that, when a Committee has made its report, it is up to the House—certainly not the Chair—to decide what action to take. It is not a matter for me.

Mr. Max Madden (Bradford, West): Further to the point of order, Mr. Speaker. You will remember that Opposition Members were worried about the Secretary of State's reply to question 6, which referred to Scotland. There was also anxiety on both sides of the House that the Secretary of State referred to the Select Committee report in the most dismissive terms. Is it in order for a Secretary of State of one Department to rubbish a Select Committee report before that Committee has received a response from the Department to which it relates?

Mr. Speaker: I should be chary about echoing comments such as "rubbishing" a report. The hon. Gentleman knows that this matter is not for me. The Secretary of State, like every other hon. Member, must make his own justification for what he says.

Young Homeless People (Cleveland)

3.35 pm

Mr. Frank Cook (Stockton, North): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the visit of the Parliamentary Under-Secretary of State for Health and Social Security, the hon. Member for Wycombe (Mr. Whitney), to Cleveland on Thursday last and the views that he expressed on the plight of the young homeless people in Cleveland county."

The matter is specific because it relates to the visit of a Minister to Cleveland and to the fact that he chose to close his eyes and stop his ears to the abundance of readily available evidence about the plight of young homeless people in the area. Then, without any recourse to housing department records, voluntary aid group registers or church council experience, he proceeded to give public utterance to statements running diametrically counter to the real situation.

The matter is important because of the numbers affected by the regulations. There are 650 in Stockton, 2,500 in Cleveland and more than 50,000 throughout the country. The matter is also important because the Minister's attitude would deny victims consistent medical or psychotherapeutic attention on which they may be dependent. The Minister's attitude disrupts the continuity and stability of any police or probationary provision to which those involved might have to conform. That attitude also increases dramatically the potential burden on social services departments of councils that are already strapped for cash by Government diktat and, consequently, threatened by rate capping.

The Minister's attitude makes it more likely that a legally separated parent will have to undergo longer periods of isolation from the child awarded in custody to the previous partner. To all intents and purposes, the Minister's attitude imposes practical disfranchisement on young electors who, having registered to vote in their home town, are being condemned to wander until, come election time, they return to vote on some form of Tebbitan bike; they would do better seeking a Tibetan camel.

The matter deserves urgent consideration because 80 people in Middlesbrough alone await the hearing of their appeal against the DHSS refusal of exemption status; the figure for Stockton is not available today. Such appeals could take as long as three or four months and in the meanwhile those people are without financial support. In short, they have been judged, sentenced and executed.

In Cleveland, with 2,500 such cases, we have more than five times the national average. In Stockton, with 650 cases, we have more than four times the national average. All this comes to a head on Friday when those young people are condemned to the roads. There have already been suicides.

We must have a debate, and we must have it today.

Mr. Speaker: The hon. Member asks leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that he thinks should have urgent consideration, namely,

"the visit of the Parliamentary Under-Secretary of State for Health and Social Seurity, the hon. Member for Wycombe (Mr. Whitney), to Cleveland on Thursday last and the views that he expressed on the plight of the young homeless people in Cleveland county."

[Mr. Speaker]

I listened with great care to what the hon. Gentleman said, but I regret that I do not consider that the matter that he has raised is appropriate for discussion under Standing Order No. 10 and I cannot, therefore, submit his application to the House.

BILL PRESENTED

Sale of Alcoholic Beverages from Garage Premises

Mr. Tony Speller, supported by Mr. Peter Bruinvels, presented a Bill to prohibit the issue of off-licences to retail outlets situated on garage forecourts: And the same was read the First time; and ordered to be read a Second time on Friday 5 July and to be printed. [Bill 170.]

Adjournment Debates

3.39 pm

Mr. D. N. Campbell-Savours (Workington): On a point of order, Mr. Speaker. On Thursday each week, the Leader of the House comes to the Dispatch Box to answer questions about the business for the following week. Each week a ballot is held for Adjournment debates, and I understand that one of the debates called in the following week is at your discretion.

As you may exercise your discretion, Mr. Speaker, I wonder whether you would be willing to accept requests for Adjournment debates from the Floor of the House. For example, a group of hon. Members might wish to press for a particular debate and ask you, in exercising your discretion, to select a subject for debate in the name of one hon. Member.

Mr. Speaker: Order. It would be very unwise to accept that suggestion. I think that everybody who applies for a debate on every day, including Thursday, feels strongly about a subject. It is left to my discretion to choose which subject is debated on Thursdays.

Opposition Day

[16th Allotted Day]

Skill Needs (Government Policies)

3.40 pm

Mr. Barry Sheerman (Huddersfield): I beg to move,

That this House condemns the Government's failure to make proper provision for improving the extent and standard of modern skills training that is essential for Britain's economic recovery and industrial growth; deplores the Government's destruction of the nation's training system, including the abolition of industrial training boards, the closure of skillcentres and the catastrophic decline in apprenticeships, and its failure to provide quality training for the new technologies; believes that the present adult training strategy is inadequate; and demands a comprehensive statutory framework to deliver sufficient quality of training to produce the competent and committed work force Britain needs.

Mr. Speaker: I have selected the amendment in the name of the Prime Minister.

Mr. Sheerman: In moving the motion, I am aware that only recently we had a good debate upon the crisis which affects young people. I shall try to keep away from some of the points that I made in that debate, but training for skills in this country is a matter of such importance that you, Mr. Speaker, will perhaps permit me to go back over some of the same territory.

Training is vital for economic recovery and growth and for the future development of industry, commerce and public services. Training builds effectiveness, quality and commitment into that most crucial factor of production, our nation's work force. This proposition ought to be uncontentious. It is accepted by the Government and the Opposition, by key agencies such as the Manpower Services Commission and the National Economic Development Office and by the researchers and policy analysts at the Organisation for Economic Co-operation and Development, the Institute of Manpower Studies and elsewhere; but the increasing turbulence of technology and of the markets and the role of the multinationals in exposing our work forces in different countries to direct competition one with another means that workers will have to train and retrain continually throughout their adult lives.

Training is not a sufficient condition for economic recovery and growth. It alone will not create effective and competitive industry, but it is a necessary condition without which it will be impossible to achieve recovery and growth. As that benchmark for all of us who are interested in training, "Competence and Competition", showed, this is so at the level of our international competitors. Japan, Germany, the United States of America and many other countries have vastly superior systems of education and training. This is linked to their relative economic success compared with ours. Our system produces a fraction of the qualified young people produced by those countries. This lays down attitudes and habits for a lifetime. Our adult participation rate in training is less than half that of our German competitors.

But now we have further evidence from our own country at the level of the company and its policy on training. These are remarkable figures. Against the notional target figure of 2 per cent. of turnover—I hope that the Minister will remember the figure — that companies ought to be spending on training and retraining, a yardstick that the director of the Manpower Services Commission regards as appropriate, the average private sector firm in this country spends just 0·15 per cent. This is the figure for larger firms which generally do more training. Instead of spending £26 billion, the private sector spends just £1·2 billion. Moreover, as between companies, nine out of 10 of the top performers carried out adult training involving nearly half of their employees, but only half of the low performing companies had done any training at all, and, in those that had, less than one in five of the work force was ever involved.

I do not want to give the impression that the education and training system of a country should be geared only to its economic needs and the requirements of industry, but so far as it serves those needs the training system of a nation is one of the essential supports of its economic and industrial system. Until recently there was something of a consensus on this question, built around the employment and training Acts of 1964 and 1973 and the terms of the new training initiative, the NTI. However, the Government have dismembered the system that was built on that consensus which, flawed as it was, none the less provided some of the essential support that training needed. Those supports have been kicked away like so many pit props. Sixteen of the 23 industrial training boards have been abolished. Instead of covering about half the work force, industrial training boards cover now only about one quarter. They were abolished in the name of voluntarism and 100 non-statutory training organisations have grown up to fill the void, but they have become known in the industry as industrial jokes in terms of training.

The apprenticeship system has been allowed to collapse. It used to be the envy of the world and provided a trained and skilled work force not just for this country but for many industries abroad. The apprenticeship system had 150,000 places in 1979, but the number had become about 100,000 in 1984. The number of entrants is down by three quarters. The recruitment level in engineering is down by about 15,000 from the 1970s level—from well over 20,000 to fewer than 8,000. That is a reflection not simply of what has happened in the industrial sectors, which have been ravaged by the recession and the Government's economic policies, but of the Government's deliberate policy, which has been to destroy, attack and undermine the apprenticeship system and to turn off the resources tap, as witnessed by the withdrawal of its Exchequer support.

Many of us will be conscious of the closure of our skillcentres, because 27 of the 87 are to be closed. There will be a loss of at least 3,000 training places, and 1,000 skilled instructors will be sacked for moved elsewhere. Those essential training resources for individuals and local industry have been taken from where they are most needed — the areas of high unemployment. That is, indeed, kicking away the pit props of training. In South Wales, where the mention of pit props is appropriate, there is a feeling of desperation about the level of unemployment, and an even deeper desperation at the knowledge of the pit closures that the Government are forcing on it.

Many local authorities in south Wales are doing their utmost to attract alternative industry to provide a future and hope for their men and women. I recently saw the Islwyn borough brochure. It is an attractive brochure designed to attract people into industry in that area. It describes the advantages of the area. The people and their

[Mr. Sheerman]

quality are rightly given prominence. It gives pride of place to describing the skills that can be acquired at the local skillcentre. It says:

"Of particular advantage to incoming and existing industries is the Government skillcentre at Pontllanfraith, Blackwood, which currently has places for 160 persons on various industrial training courses."

That no longer exists because it is one of the skillcentres being closed.

Not even the much bally-hooed retraining of miners through the MSC and the skillcentre training agency will do any good, even though it is a perfectly placed skillcentre to make a contribution in that area. I do not wish to dwell too much on that but that is where the people from Brecon and Radnor would go to obtain their skill training. *[Interruption.]* Conservative Members laugh. They think that it is amusing, that an unemployed man or woman living in Brecon and Radnor will now have to make a round trip of 80 miles to the skillcentre in Newport. Removing a skillcentre that offers a retraining opportunity for people will mean——

Mr. Jerry Hayes (Harlow) *rose——*

Mr. Sheerman: —that people are deprived in a vital part of south Wales, and that is a crime against unemployed people who want a future.

This decision will not do anything for the 2,600 unemployed people in Brecon and Radnor. It could do something for them if the Government had used imagination. The Government could have tried to retrain the 69 people in Brecon and Radnor who have been unemployed for five years, the 63 people who have been unemployed for more than four years, the 179 people who have been unemployed for more than two years and the 1,724 people who have been unemployed for more than a year. That skillcentre would have given those people hope and a future, but they will not have that chance.

The Minister of State, Department of Employment (Mr. Peter Morrison): Does the hon. Gentleman understand that, by arguing the case in that way, he is arguing that we should train fewer people in south Wales, including Brecon and Radnor? Is that what the Opposition want?

Mr. Sheerman: The Minister knows precisely that that is not what I want. I now anticipate his next intervention.

People look at the destruction of our national training system and say, "We do not understand why the Government are doing this. Are they mad?" They are even more puzzled when I tell them that the Government are proud of what they are doing in adult training and when I explain that the Government have reassured us that it is not as we think it is. Let me give the Government's assurances. They say, "The national training system may have been destroyed, but this Government are training more people than before. In fact, they are training twice as many. There are even 50,000 training places on the community programme." That is one of the measures mentioned by the Minister. I go on to explain, "Not only that, but there is a series of programmes — PICKUP open tech, college employer links, local collaborative projects and REPLAN. On top of all this, the Government are mounting a national awareness campaign on the importance of adult training." For most people, their awareness of adult training has been heightened by nothing so much as the fact that their local skillcentre has been closed or is under threat. The prospect of local unemployed people obtaining high-quality training has plummeted.

The Government's claims are pure humbug. They are a tissue of deceit because, under their schemes, the unemployed will be given only a palliative. They will be given an illusion of training opportunities, short on duration, thin on content and bereft of qualifications at the end.

Mr. Hayes *rose——*

Mr. Sheerman: Is it not ironic and astonishing that the criteria for all the schemes that the Government have introduced are that they should be half the price and half the cost of those that they abolish? We cannot have training on the cheap.

Despite all this, the Government are not mad. Their approach to training is linked inextricably to what passes for their economic and employment strategy. Its features are by now only too familiar. The strategy starts with an idolatory of the market. Its objectives are to be set by employers and its delivery is to be privatised as far as possible. Most crucially, training policies are going to reflect, entrench and police the Government's theory of the dual labour market. The primary labour market consists of those sunrise and other private sector employers that the Government have decided have a future. It is to those companies and their needs that the adult training strategy has been harnessed. However, the bulk of the labour market is to be a secondary labour market, characterised by low wages, low skills and low technology and punctuated by bouts of unemployment so that workers can never become too secure.

Once this key proposition has been grasped, everything else falls into place, despite obfuscation and sweet talking. The Government will not increase resources for adult training, despite the importance that they claim to attach to it. To focus resources on these priority areas, the Government have written off the training needs of the unemployed and of the regions.

However, on the way, the Government have completely abrogated the third objective of the new training initiative, which was their own policy in 1981, and which seemed at the time to be the high water mark of the previous consensus on training strategy. Its terms were to open up widespread opportunities for adults, whether employed, unemployed or returning to work, to acquire, increase or update their skills and knowledge during their working lives. Viewed now, what humbug, what deceit that seems. What was never revealed was the secret codicil to that objective, which reads something like this: "We do not really mean the unemployed at all. As to the rest, there will be opportunities for training only if your employer wants a particular sort of training."

It is hardly surprising that the results of the strategy are beginning to show through in serious skill shortages. Who would have believed, in a country with 4 million or more unemployed people, that we should be suffering from serious skill shortages? With 4 million unemployed, industry is experiencing constraints because of the lack of skilled manpower. That trend has been going on systematically since the middle of 1982. The skill shortages are not just in the high tech areas, although they

are there too. They include machine tool-setter operators, mechanical, maintenance and repair occupations, electricians, carpenters, joiners and sewing machinists

Mr. Don Dixon (Jarrow): And Cabinet Ministers.

Mr. Sheerman: Indeed.

What may seem extraordinary is the fact that industries that have been decimated by the recession are also experiencing bad skill shortages, including the textile industry. Representing Huddersfield, I know the industry very well. The reasons are there to see. The training infrastructure in textiles, as in many other industries, has collapsed. The industrial training board has gone, and the voluntary training organisations have not filled the gap. The skills of the workers made redundant have either ebbed away during their enforced period of non-use or been abandoned in favour of some other occupation if they are lucky enough to get one. The Government do not seem to recognise the importance of the mutually supportive structures of education, training and industry. Once they are gone, it takes a lot more to revive the infrastructure than hot air from Ministers and the employers' federations to which they listened when they abolished the industrial training boards.

Mr. Hayes: I can understand the hon. Gentleman's concern about skill shortages, about which he speaks with great passion. Does he accept that those shortages are not helped by the grossly irresponsible campaign of the young Socialists who are terrorising young people going on youth training schemes? The hon. Gentleman shakes his head, but I tell him that that is happening. It is happening in my constituency. If the hon. Gentleman does not condemn the actions of the young Socialists who are terrorising young people who are going on YTS, does he accept that he is condemning young people to further bouts of unemployment?

Mr. Sheerman: I shall not give way to the hon. Gentleman again if he continues making such stupid interventions.

Mr. Richard Holt (Langbaurgh): Does the hon. Gentleman recognise that faults are always on more than one side, and that one of the reasons for skill shortages is the refusal of trade unions to allow enough apprentices to be recruited over the past 15 to 20 years?

Mr. Sheerman: That is nonsense. If the hon. Gentleman had had any acquaintance with or had talked to any of the trade unions, he would know that that is not so.

I should like to refer to the area where one would have expected the Government to do best—high technology. I see that Ministers on the Front Bench have been joined by a Minister with some knowledge of the subject, the Parliamentary Under-Secretary of State for Trade and Industry.

Given the Government's preoccupations and their rhetoric, one would expect them to do best in new technology. It is true that there are initiatives at various levels. Regrettably, all carry the mark of the Government's doctrinaire approach, and so have failed signally to meet their full potential. In schools, the technical and vocational education initiative has been introduced in a way that has caused great divisiveness between pupils, between schools, and between the education service and the Manpower Services Commission.

The obvious and desirable option of proper curriculum reform to introduce a technical element for all pupils has been ignored. That no doubt partly reflects expenditure restraints and a preference for doing things despite the education service rather than with it. But there is also the question of a dual labour market. Why encourage widespread technical literacy when the majority of young people under this Government's policies have a low tech future?

The information technology centres—the I-techs—were an initiative from the Community that was taken up by the Government. The Opposition supported expansion. But instead of building on that initiative as a permanent Community-based resource that would give access to high tech to all sections of the Community, it has been made subject to the doctrinaire arrangements that dictate short-term contracts for staff and a requirement to make money which will poison the training relationship within those centres and act to the detriment of I-techs in areas of high unemployment.

One wonders where this philosophy will end. Given the Government's philosophy on the closure of skillcentres and the way in which they do not favour I-techs, It seems that if they apply the same logic to the other MSC programmes, even YTS and the community programmes will cease to be available in areas of highest unemployment.

What of technicians and high tech graduates? There have been two reports from the Butcher committee, and an extra £43 million has been pumped into higher education. This is an absolutely classic case of too little, too late. The Government have known for years that there will be needs in the high tech areas, but they spent their time closing down large chunks of the national training system, and they brought some of the most important resources for procucing high tech skills, such as Bradford and Salford universities, to their knees through expenditure cuts.

When they finally woke up, the developing needs for high tech manpower had become a skill shortage crisis, but Ministers still met, wrung their hands and dithered. Finally, they acted by providing less than half of what even the Engineering Council regards as necessary in the desperate situation that we face. There are the self-same private employers to which the Government insists they are paying attention.

Contrast that with the report of the Select Committee on Science and Technology in the other place. That has again provided some of the long-term thinking and undogmatic analysis that this Government so badly need. It rightly criticises the ad hoc approach to the organisation and funding of technological education and training and short-term attitudes to funding. It made 60 comprehensive and far-reaching recommendations which should make the Government feel ashamed of their failure to act decisively and effectively in that area.

Mr. Alan Howarth (Stratford-on-Avon): Will the hon. Gentleman give way?

Mr. Sheerman: In a moment.

The Government's public relations hopes are always pinned on YTS. Many people had high hopes of YTS,

[Mr. Sheerman]

including the MSC and the TUC. Despite what has been said, the TUC is a prime supporter of any hopeful training initiative. In addition, many thousands of trainers and educationists have put much effort, energy and dedication into trying to give young people a better qualified start in adult working life.

Mr. Richard Tracey (Surbiton): Will the hon. Gentleman give way?

Mr. Sheerman: Not for a moment.

The Opposition wish the second year of YTS well, most particularly for the sake of the hundreds of thousands of young people and their parents who will have no realistic alternative option in the next two or three years until there is a Labour Government. Although I expect the MSC, the TUC and others to produce a good outline scheme for the second year, I have grave fears that most of a two-year YTS will still be little better than the present one-year scheme — which for the most part is merely work experience rather than proper training.

There is a twofold reason for my fears. First, youth training makes sense only in the context of jobs at the end of training, yet the Government's dual labour market approach will consign the vast bulk of YTS graduates to low-tech, low-wage jobs or to unemployment.

A few days ago the Secretary of State for Employment challenged me when I said that only half the YTS graduates were getting jobs. He intervened in my speech and said that I was wrong and that I was misleading the House. He said that the figure was 60 per cent. or more. There was no doubt then who was right, and there is even less doubt now, because two days after his intervention the MSC reported that the figure was 48 per cent. If the Minister can read, he should read that report, which shows that 48 per cent. is the figure.

Mr. Tracey *rose——*

Mr. Sheerman: I shall give way only to the Minister if he wishes to say whether 60 per cent. or 48 per cent. is the right figure. He fails to rise. It is precisely because of the number and quality of jobs likely to be available to young people under this Government's policy that there is no real incentive for the Government properly to resource a high quality, two-year YTS.

That is a second part of the tragedy. A two-year YTS as a permanent feature of the education training system is an important and significant change. It ranks with some of the extensions of universal schooling in the 19th century, for it will lay the foundations for the British work force of the 21st century. It cannot, and must not, be done on the cheap, yet that is precisely what the Government have done and are proposing to do.

When YTS was announced three years ago, it was to be a £1 billion scheme. But when the two-year scheme is fully operational, it will cost barely £1 billion, even at 1984-85 prices. I challenge the Minister to dispute the fact that this would have been significantly less than £1 billion at the time when he made the £1 billion claim. I challenge him to come clean and to say just how much less it would be. He does not rise to answer that point.

The Minister is also selling short the adult training strategy, the adult unemployed and youth. His training strategy does not meet the needs of individuals, women, or black people; nor does it meet the needs of employers or the nation.

The education and training system is part of Labour's long-term social, economic and political objectives. We see it as serving personal and intellectual development and the building of democratic values in a nation rich in creativity, humanity and spirit which has the means to enable people to lead full and satisfying lives. We see it producing the skills and knowledge that are essential to the creation of wealth in working conditions which respect and value the people who create that wealth. We also see the education and training system working towards a better life and a better society. We want to equip people for a genuine economic and political democracy, to eliminate racial and sexual discrimination and to provide real opportunities for people from all walks of life—not only the privileged.

These objectives are closely related. The goals that education and training serve for individuals include the opportunity to contribute effectively to the economy. People's aspirations are bound up with the job that they want to do. Without work and economic security, those aspirations are illusory. It will be impossible to make the economy work for all the people, not just for the profit of a few, unless people have a real stake in a society in which they have work.

Education and training are the means to acquire competence and the skills necessary to contribute to an active and effective democracy both at the place of work and in the community. If workers are to exercise greater control over their lives, to have greater control in the industries of which they are part and to run, and participate in, the management of private and public enterprises, as we believe they should, competence at work is an essential first step. Far more people who can organise work effectively and participate actively in directing the change that our country requires need to be available.

Our training policies will be firmly located in our economic policies. We see training as being linked to the package of investment measures in the infrastructure, construction and industry, which a Labour Government will carry out. The key lesson from "Competence and Competition" and other studies of Britain's training problems is the need to develop a culture of training, and an environment in which training is perceived as natural, useful and desirable for workers who need to acquire many skills during working life. That means breaking the habit of using the school system to filter the academically bright.

To that end, we shall apply a series of co-ordinated measures to initial education and training. The first will be curriculum reform in secondary schools, leading to a common core curriculum, which will be relevant to all pupils and will motivate their participation, and which will include a technical element for all. Secondly, for the post-16-year-olds, the keynote will be a coherent and comprehensive approach. That will include coherence in financial provisions for those studying full time and those engaged in new training. It will include education maintenance allowances for children at 16. It will include coherence in terms of rights to education and training, which will embrace both those in study and on YTS, and those in employment. Coherence will also be extended to methods of learning and its certification and assessment, focusing on outcomes and based on a modular, integrated

system to ease entry and re-entry, and the development of personal profiles of learning and achievement. *[Interruption.]* I am trying to spell out some of the vital elements of an education and training policy. It is a serious matter and I wish that Conservative Members would listen.

Mr. Tracey *rose——*

Mr. Sheerman: I shall not give way. I have taken up enough of the House's time and I shall not allow another intervention.

Although those measures will provide the framework for learning and the encouragement for future learning that the whole of the nation's work force needs, what will motivate the system and the young people who participate in it more than anything will be the knowledge that there are jobs at the end of it. For young people coming through the system, the culture of education and training will be part of their understanding of life and work—it will be natural to learn and to relearn, and in that learning will lie both better performance in work and growth in personal and intellectual development.

In the area of adult education and training our first act will be to restate what has been obvious to everyone, except the Government and some of the short-sighted employers to whom they have listened, since shortly after the war. If the Minister listens to nothing else, I hope that he will listen to this. Voluntarism is not the way to create a culture of training or to produce the quantity and quality of training that industry, commerce and public service need and demand.

The Parliamentary Under-Secretary of State for Employment (Mr. Alan Clark): What about Germany?

Mr. Sheerman: Indeed, what about Germany?

There will have to be a comprehensive statutory framework to bolster and promote the changes in attitudes and values that are required, and to ensure that the short-sightedness of some British employers is not allowed to disable the whole nation. Part of that statutory framework will be the establishment of a comprehensive contributory fund so that there are sufficient resources available for training to be carried out, and sufficient purpose in encouraging the training that most needs to be done. Part of that framework will be the rights of individuals to ensure that they play their part in being alive to the training opportunities that exist, and that they are encouraged to take advantage of them in a positive way. There will also be a specific measure aimed at the level of a firm. A Labour Government will put an end to the futile finger-wagging exercise at industry of the Government in favour of specific measures to encourage a firm to identify its training needs and to meet them. That will include the establishment of training committees with trade union involvement, similar to the health and safety committees. The trade unions know that training is their business, and it is right that they should play a full part. The comprehensive contributory fund will be available to support and encourage the measures that the training committees identify as necessary.

We shall also use the education and training system as a pace setter. That is vital. Skills can lead to productivity and improved performance, particularly when there is an extremely high rate of change. In that, a Labour Government will build on the pioneering work carried out by Labour local authorities in recent years, despite Government hostility and financial constraints.

The education and training system will also be an important path for tackling the lack of equal opportunities for black people and women. It will be specifically geared to the needs of increased industrial democracy, the development of a significant co-operative sector in the economy, and the talents required for effective municipal enterprise. That is what we believe in. The responsibilities of wealth creation and of improving production and performance are far too important to be left to the owners and managers of British industry. It is up to all working people to take responsibility for production, and taking that responsibility will be the measure of their willingness to share in the control of how that wealth is produced and distributed. The education and training system has a key part to play in equipping them for that role.

In short, the education training system of a Labour Government will embrace the concerns of industry, commerce and public and private services. But the purpose of that embrace will be, not merely to serve the economy as it is presently run, but to change it.

4.16 pm

The Minister of State, Department of Employment (Mr. Peter Morrison): I beg to move, to leave out from "House" to the end of the Question and to add instead thereof:

'welcomes the Government's many major initiatives which are producing for the first time coherent industrial and training strategies for the country as a whole, within which employers, in co-operation with others concerned with providing training, can anticipate and meet emerging skill needs.'.

I have listened carefully to the hon. Member for Huddersfield (Mr. Sheerman), just as I listened to what he had to say two weeks ago, but I did not hear anything new. Nor did I hear anything constructive—although, to give him his due, he was more constructive about the youth training scheme this week than he was two weeks ago. Despite the hyberbole towards the end of his speech, I did not hear anything relevant to the problems and needs of today. He talked about training committees, and a comprehensive contributory fund. We know what that means — the heavy hand of bureaucracy. That is precisely what the Opposition want. I assume that the hon. Gentleman was unable to answer my hon. Friends the Member for Langbaurgh (Mr. Holt) and for Harlow (Mr. Hayes) because he could not. The opening speech was just like last week's debate, but, for all that, I welcome the opportunity to debate training again.

I agree with the hon. Gentleman that the underlying theme of "Competence and Competition", and the comparisons that are drawn between ourselves and our American, Japanese and German counterparts, show it to be an important document. All hon. Members could learn many lessons from it. The hon. Gentleman may have seen or heard of a new document produced for the Manpower Services Commission by Industrial Facts and Forecasting Ltd. which is being published this week and is entitled, "Adult Training in Britain". Research was carried out into companies in relation to their training, their profitability, their confidence in terms of their expectation of an improved position, and their expansion in their work forces and output, whether or not they use high technology skills and introduce new products. The research showed

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that 24 per cent. of the firms qualified as high performers, 47 per cent. as medium performers, and 29 per cent. as low performers. However—the hon. Gentleman and I may agree on this—there was found to be a high correlation between the amount of training done by firms and their business performance. More than 90 per cent. of the high performers had undertaken adult training, involving nearly 50 per cent. of their employees. Therefore, our objectives remain the same.

Of course, modern skills training is essential for Britain's economic recovery. As we have all learned, bad training equals no jobs in the future, and the pace of change is such that a sound foundation is bound to be needed on which to build further periods of training and retraining during an employee's working life. However — this is where the hon. Gentleman and I disagree completely—unless that training is relevant to the needs of today and tomorrow rather than yesterday, the time and resources spent on it will be wasted; worse, the time and resources spent on outdated training perpetuate manufacturing processes that are not only out of date but uncompetitive in world markets, so leading to lower employment prospects. That outdated training is training for bankruptcy and redundancy, not for profitability and job security.

That is why the Government have always maintained that employers are and will remain the main training providers. However, the Government can — I believe that they do—play an important role as a catalyst and as a pump-primer. Employers will remain the main providers, because they can spot the market demands first. They can then identify the skill needs and, with the Government and the providers of training, they must be in a position to plug the training gap quickly. The chasm —I believe that it was a chasm—that existed between industry and commerce and public providers of training was so wide that it was well nigh impossible to plug it quickly.

I hope that the House agrees that matters have improved, but there is still a considerable distance to go. It is a slow process made slower by vested and conservative interests, which obstruct every attempt to bring the system into the latter part of the 20th century.

Mr. Eric Forth (Mid-Worcestershire): Is my hon. Friend happy with the extent to which the MSC has consulted businesses in each community, especially in those areas where skillcentres will be closed, to establish precisely their preparedness to provide those training places and the basis on which such training will be provided? I agree with my hon. Friend about placing the emphasis on employers, but is he happy that there is an impetus to fill the gap that will be left by the closure of some skillcentres?

Mr. Morrison: Yes, I am happy. I discussed that point with the chairman of the MSC and with my hon. Friend at some length. The MSC has an important role to play in this regard. Indeed, it fulfils that role extremely well because it brings the provider and the employer much closer together. However, the process is like building a bridge. It takes time to ensure that the foundations are properly installed, but by and large I am happy with the building process.

Mr. John Golding (Newcastle-under-Lyme): The Minister said that it is difficult to fill skill shortages quickly by training. Is he aware that many skill shortages arise not because of a lack of training, but because skilled personnel who have been made redundant are reluctant to take up their skills again? The problem is often to attract skilled workers back to their trades.

Mr. Morrison: The hon. Gentleman will appreciate that technology moves on apace. With regard to the personnel to whom he is referring, in many cases a period of updating training is necessary to bring them into the technology of the next decade and the decade after. I was referring to the chasm between the training provider, especially in the public sector, and the employer, which makes it more difficult for the people about whom he and I are worried to obtain that retraining.

My right hon. Friend the Secretary of State for Education and Science has introduced many reforms with regard to training providers in the public sector. My hon. Friend the Under-Secretary of State for Trade and Industry —if he catches your eye, Mr. Deputy Speaker, later in the debate — will highlight what he has done. Among the initiatives that we have taken with the sole objective of bringing the two parts closer together is the technical and vocational education initiative, which we discussed in the House two weeks ago. The hon. Member for Huddersfield belittled it by saying that it was a small pilot scheme without any will behind it. He is wrong. Already, 62 local education authorities are participating in the initiative. The total cost of the programme is about £20 million. In Clwyd local education authority, the initiative is so successful that it has gone, voluntarily, countywide. Yet, as the hon. Gentleman knows, the initiative was resisted initially by many educationalists and by some Labour-controlled — tending to be Left-wing Labour-controlled — local education authorities, which have refused to participate in it. Why do they do that? Why do they deprive their 14 and 15-year-olds of the opportunity of this break?

Mr. Sheerman: The answer to the Minister's question is that the Labour-controlled authorities wish to know when that opportunity and those resources, in terms of capital equipment and teaching, will be available to all children in that age group, rather than only to the favoured few for a trial period.

Mr. Morrison: The hon. Gentleman is arguing that Sheffield and Liverpool authorities are saying, "Here is taxpayers' money available for a group of 14 and 15-year-olds, but we shall deprive you of it because it is not available for all." They say that despite the fact that many will not want it and it is appropriate only for some. Their attitude is quite remarkable.

The hon. Gentleman also referred to the information technology centres, 164 of which are already in operation and about 175 of which will come on stream in the autumn. He did not say that that was a bold initiative which, in many cases, has helped children with less academic records. He did not say that more than 60 per cent. of youngsters who go through the information technology centres go straight into jobs. He did not give the Government the credit for a significant and major initiative.

Mr. Tracey: Will my hon. Friend give way?

Mr. Morrison: I should continue, because the hon. Member for Huddersfield delayed the House for some time and I know that many hon. Members wish to speak.

The hon. Gentleman did not refer to the initiative begun by my right hon. Friend the Secretary of State for Employment with regard to the non-advanced education budget. As he will be aware, in 1985-86, the MSC will spend about £65 million and in 1986-87, it will spend about £110 million. That, coupled with the initiative of my right hon. Friend the Secretary of State for Education and Science — the college-employer links project — will ensure that the training and education in those institutions is much more closely geared to the labour market.

I was not surprised by the fact that the hon. Gentleman did not mention that, last week, the Audit Commission published a report on further education. I suspect that he did not mention it because it talks about value for money and makes the point that colleges should, within the present budget, take about 75,000 more students. The report states that there was much waste in that area. The reason he did not refer to it is simple: those who objected to its publication last week were supporters of the Labour party. The Opposition did not appear to notice that there was a need to change what happened in schools and colleges. Nor have they any desire to do something about it, even when the need for change is pointed out.

As the hon. Gentleman reminded us, two weeks ago we debated at length the youth training scheme. He was a little more fulsome about it today. He knows that I asked the hon. Member for Kingston upon Hull, East (Mr. Prescott) to substantiate remarks that he made about the YTS about three months ago. He said that it was a load of rubbish. I wrote to him once before the debate, and I have written to him since then, but the hon. Gentleman is still unable to produce evidence about any scheme to show that it is rubbish. We still have not received an answer from him. I am pleased that the hon. Member for Huddersfield, who is not today flanked by his hon. Friend the Member for Kingston upon Hull, East, was a little more fulsome in his praise.

The hon. Member for Huddersfield talked about apprenticeships. I wonder how recently Opposition Members have visited a factory. I accept that the number of traditional apprenticeships has dropped substantially, but surely Opposition Members must accept that because of high technology the number of men and women on the line is substantially fewer. The requirement for apprenticeships in the traditional sense must therefore have dropped. The Opposition remain determined to perpetuate the old apprenticeship system which, for all its usefulness in the past, is no longer necessary to the same degree.

Mr. Geoffrey Robinson (Coventry, North-West): We are challenged to say whether we have been round any factories recently. In the west midlands there are many factories which we visit regularly. To what line is the Minister referring on which he sees fewer people, which makes him believe that there is a need for fewer apprenticeships? Is he talking about the toolrooms or engineering support systems, which are as much in need as ever of apprenticeships?

Mr. Morrison: I am amazed that the hon. Member for Coventry North-West (Mr. Robinson) should say that. I am flabbergasted. Has the hon. Gentleman not been round the car plants in the west midlands? Has he not been round the manufacturing plants there? Does he suggest that with modern technology and machinery the same number of people are required to produce the same, or even six times, the amount? The hon. Gentleman must be blind and deaf if he does not realise that today's needs are different.

Mr. Robinson: Will the hon. Gentleman give way?

Mr. Morrison: I am sorry, but I must get on. The hon. Member will have a chance to reply. I am amazed that he should try to make the same point again.

Apparently, the Opposition want to perpetuate age restrictions, time serving and a system with no agreed standards. If they do, I do not. It would be fair to say that I want to dismantle the apprenticeship system as it is. I want to dismantle that system because I want opportunities for people to join at any age. I want people to be able to achieve certain standards regardless of time served. That is better for the trainees, whatever their age, and it is certainly better for industry and commerce. I want a flexible and relevant system. Both those words are overused, but they are right in this context.

Between 1980 and 1983, the number of apprentices dropped by about 50,000. At the same time, entrants into full-time, non-advanced education rose by about the same number. That reflects a move from craft to technician-based employment in traditional industries. That is the route that we should take.

Apprenticeships led to the belief that training once in a lifetime was sufficient. That is no longer so, as all hon. Members will agree. In the United States, it is said that a period of retraining three or four times in a working life is necessary. That is why we have completely reshaped the adult training strategy.

The hon. Member for Huddersfield mocked the estimate that 250,000 people per annum are to be trained. That is double the number trained originally and it reflects, I regret to say, a genuine need because of the lack of concentration on training during the 1960s and 1970s. That is one of the reasons why unemployment has risen, as the hon. Gentleman will agree.

Doubling the number of people trained is not of itself enough. For too long, we have assumed that training for is own sake is good, whereas training leading to a job is really good. Training for its own sake is no good at all, because that raises hopes which are then dashed. Training is an investment with a return. Training leads to profit. That is the message which I and my right hon. Friends wish to put across to industry—we are already doing that.

I hope that the Opposition, like their trade union colleagues, will help to put across that message, because the adult training campaign which the hon. Member for Huddersfield mocked was launched with the help of all the parties involved. It will take time to change attitudes, but they must be changed. In the four years in which I have been associated with training, attitudes have changed substantially. However, we have not run the whole course. We have still a significant way to go. The Government have a role to play in stimulating and encouraging, and in providing incentives. Through the adult training programme that is precisely what we are doing.

I am talking of the job training scheme—formerly TOPS — occupational training, training for enterprise, access to information technology, local training grants, local consultancy grants, training for special groups and

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the wider opportunities training programmes. The Government are making a considerable effort in all those directions.

In addition, we have the open tech, which was launched in 1982, as part of our new training initiative. We lead the field in developing open learning methods. I expect that open learning will become more and more the way of training. That is the way ahead. The system takes training to the trainee. That is simpler than a person having to go to a training establishment. This year distance learning, thanks to the open tech, will benefit about 25,000 people and next year about 50,000 people.

Mr. Michael Colvin (Romsey and Waterside): The Opposition have been significantly silent on the open tech initiative. Will my hon. Friend suggest that they go to the Upper Waiting Hall tomorrow when my right hon. Friend the Secretary of State will open an open tech exhibition? The open tech demonstrates the Government's priority in connection with retraining. It will produce the training when and where it is required and make the maximum use of the many under-used training resources.

Mr. Morrison: I am grateful to my hon. Friend for reminding the House that the exhibition will be opened tomorrow. All hon. Members will find it interesting.

We have heard the rhetoric about skillcentres time and time again and we heard it again today. The hon. Member for Huddersfield missed the point about skillcentres. Does he want to perpetuate a system that would result in £50 million a year being spent on courses to which no trainee would go, and on bricks and mortar? That was his argument. The hon. Gentleman believes that any organisation must remain rigid. Because of rationalisation in another 18 months we shall have released £50 million — that is extra training for tens of thousands more people. It is as simple as that.

The hon. Gentleman made a party political point about the by-election in Brecon and Radnor. Therefore, we must assume that the Labour party does not like the idea of mobile instructors going into rural areas — whether in Wales or in any other part of the country. As a result of what we are doing with the skillcentre training agency, training will be brought to those who need it in Brecon and Radnor.

Mr. Sheerman: The Minister knows that cutting highly resourced centres that provide skills training over a period of time cannot be matched by short-term training, whether the capital resources are carried on the back of a bike or in the back of a van. We cannot take computer technology around the country on the back of a bike; we cannot take highly computerised engineering resources around the country on the back of a bike. We must put our money into training. All the schemes that the Minister has mentioned are training on the cheap, and he knows it.

Mr. Morrison: The hon. Gentleman has lost the argument, so there is no point in jumping into rhetoric. He cannot argue with the figures. He seems unable to understand that more people will receive training, and it will be more relevant to obtaining jobs.

On industrial training boards, the hon. Gentleman again used the arguments and rhetoric of the early 1980s. Does he not understand that the 17 industrial training boards that the Government abolished had lost the support of employers because they had become a dead hand? They were a bureaucratic control, and the net result was that training became a dirty word. I am happy to say that that is no longer the case.

I have outlined some — but not all because time precludes me from doing so — of the enormous training programmes launched during the past five years. Our programmes start in the schools and carry on through working life. They include the open tech and the technical and vocational education initiative, which, among others, are modern and looking forward. The YTS provides a sound foundation. The adult training strategy focuses on the need for continuous updating of training. Hundreds of thousands more people are benefiting, including the unemployed——

Mr. Sheerman: No.

Mr. Morrison: The hon. Gentleman may say, "No," but they are. During the period 1979-80 to now, resources have increased from £458 million to £1,234 million; 353,000 people were being trained five years ago as compared with 643,000 now. That is a substantial increase.

I look forward to seeing whether the hon. Gentleman really does have the support of his colleagues tonight. Only seven Back-Bench Labour Members were present during his speech, yet I gather that this is an Opposition day. We shall see whether he is backed in the Lobby or whether the Government's record on modernisation and constructive reform will not be opposed.

4.44 pm

Mr. Ron Leighton (Newham, North-East): I regret to say that the Minister's speech did not measure up to the seriousness of the situation. It was an extremely complacent exposition of the Government's case in an area in which this country does not do well. I am sure that there is common consent across the parties that Britain has not done well in it for a long time.

The Government are charged with damaging and hindering the position for ideological reasons. *[Interruption.]* I hope that the Minister is not too complacent to listen to what others have to say. He will no doubt have seen the *Labour Market Quarterly Report*, published by the Manpower Services Commission, which said:

> "The picture that emerges is that shortages are spread across all levels from skilled manual to professional, but are more serious at higher levels."

It also says that the problem has been getting worse and is expected to deteriorate during the next year. That is the MSC telling us that, under the regime of the Conservative party, the position will get worse. What is the Government's explanation for that? The Minister, in his avuncular manner, nods his head, smiles and chats to his colleagues. He does not seem very interested.

The report also said that a wide range of occupations were identified — 173 in total. Therefore, there are skill shortages in 173 occupations. We do not need a blunderbuss to make us address ourselves to that point. The report cites sewing machinists, electrical and electronic engineers, computer programmers, machine tool setters, scientists, engineers and technicians.

I do not want to quote at length from the report; I hope that the Minister has read it. However, it states:

"The information indicates a general decline in training rates over the decade of about 3 percentage points."

Not only is the position bad and getting worse, but projected for the next 10 years it will deteriorate while other countries—our competitors—race ahead. I ask the House whether the Minister's speech measured up to the seriousness of that.

The problem that we face—perhaps based on our culture—is not new. My right hon. Friend the Member for Blaenau Gwent (Mr. Foot) and others of my colleagues who served in the Department of Employment know that. The problem was identified in the 1960s, when it was realised that voluntarism was not the full answer because it did not work. It was necessary to have the carrot and the stick. Private firms had to be encouraged and guided, so Parliament established industrial training boards. They have now been abolished. In fact, the Minister—I almost said the vandal—was instrumental in that. He did not know much about industrial training boards in those days——

Mr. Peter Morrison: I do now.

Mr. Leighton: I do not hold against the Minister the fact that he did not know much about them in those days. Indeed, I served in Standing Committee with him when we discussed these matters. The Government gave him instructions to abolish the training boards. So what do we have now? The simple truth is that we go back to the 1960s, when we learned that there were not enough volunteers in British industry.

The most recent survey of British firms found that, what confronted with skill shortages and asked what they would do about them, they said, "We propose to recruit, not train." In other words, they proposed to poach people who had been trained by others. I ask the Minister—before he is moved from his present position—to think of how we can improve matters. Perhaps he could think of some tax reliefs for firms hoping to spend money on training. The taxpayer could match their investment pound for pound. Perhaps the Minister will make a note of that for the future. I ask him to think of ways to encourage private firms to train.

The skillcentre training agency was an integral part of the training division of the MSC; it was not shown separately in its accounts. It was cut adrift and told—I suppose on monetarist and ideological grounds—to sell its products in the market place and became self-financing in three years. That was unrealistic. After all, the training division had been its sole customer.

The training division found that it could get cheaper places elsewhere, primarily in colleges of further education. The labour costs in the skillcentres were half those of colleges of further education. We hear a lot about people pricing themselves into jobs. Those who taught in skillcentres charged only half what was charged by lecturers in colleges of further education. Despite that, they were given the sack. That seems a strange way of getting people to price themselves into jobs.

Although the labour cost of lecturers at skillcentres was about 50 per cent. of the cost of their counterparts in colleges of further education, when the service was delivered to the public it was 50 per cent. dearer. The reason for that lay in the accounting system, in that it did not compare like with like. The places at colleges of further education were priced on the basis of marginal costs, although their overheads were paid for by local education authorities. The skillcentre places were, by comparison, unrealistically priced because of their heavy overheads.

The MSC stated that, without the closures, there would be a loss of £52 million by 1987-88. When the Select Committee had the matter investigated by a specialist adviser, we found that that was not the true figure and that the cost would have been £12 million.

Mr. Kenneth Carlisle (Lincoln): The hon. Gentleman should also consider the effectiveness of skillcentres. The skillcentre for Lincoln, for example, was in another county many miles away, at Long Eaton. As a result, few people from Lincoln who wanted training could get there. Now that that has been closed, the number of training places where we need them, in Lincoln, is being doubled. More people will therefore take up those training places, which will become more cost-effective.

Mr. Leighton: I am happy to think that that will be the situation in Lincoln. I want more training places throughout the country. If we want to expand training, why sack hundreds of skilled trainers and put them on the dole? I want an expansion of the system in the hon. Gentleman's constituency and elsewhere, and in that process I do not want any centres to be closed. If it is said that skillcentres are offering the wrong products at the wrong prices in the wrong areas, let us have them supplying the right products in the right places. We want a general expansion of training.

Dr. Norman A. Godman (Greenock and Port Glasgow): One of the most important skills required in the offshore construction industry is welding. The skillcentre in Govan, and at the James Watt college in my constituency, provide marvellous instruction in that and other skills. I speak from experience. My hon. Friend is right to say that the centres have an important role to play.

Mr. Leighton: Given the heavy overheads of skillcentres, they are likely always to be at a cost disadvantage compared with colleges of further education, which have their core costs met by others. If only market forces are to rule, with the sort of book-keeping that is undertaken in this sphere, few skillcentres will survive.

A heavy responsibility rests on the training division as the main customer of the skillcentre training agency. Does the Minister agree that the MSC and the Government have said that they regard the retention of the new network of skillcentres as being in the national interest, that it is the minimum necessary and that the present network will be retained for the future?

Mr. Peter Morrison: I am grateful to the hon. Gentleman for reminding the House of what the chairman of the MSC said in the Select Committee, the point that the hon. Gentleman has reiterated. The training division's total obligation is to ensure the right training of the right quality at the right cost to maximise the number of people who can be trained in jobs or skills in which they are most likely to get employment. Does the hon. Gentleman agree that that is the right approach?

Mr. Leighton: Yes, but I remind the Minister that we were told by the Secretary of State that a national network of skillcentres was essential as a pace setter or benchmark of quality. He gave a number of criteria to show that it was essential to have such a network and we were told that the reduced network was the minimum necessary.

[Mr. Leighton]

That being so, a great responsibility rests on the training division to understand the needs of the skillcentre training agency. The cost of shutting down a third of the skillcentre network is £12 million. In other words, the Government are paying that to shut them down. I do not know whether that is generally appreciated.

The Minister may not like my saying that, in relation to the YTS, many people believe that the motives of the Government are suspect. They fear that the Government are using it as a device to get people off the register, to keep people off the streets and out of trouble and to promote cheap labour. Many people regard the YTS as a cosmetic.

I hope that when the Government consider the second year of YTS they will take careful note of what youngsters are saying. It is no good the Government saying, "We know better than you." It is a voluntary scheme—that is the way we work in Britain—and it is not good enough for the Government to claim, "We have a parliamentary majority, so what we say goes."

Mr. Andrew Rowe (Mid-Kent): Will the hon. Gentleman confirm that, in the considerable time that he and I have been members of the Select Committee, we have had witnesses before us from the TUC and a wide range of bodies and that—with the exception of one, who totally failed to produce the evidence that he claimed would show that people thought that the schemes were no good—the evidence that we have consistently received has shown that the suspicion with which the YTS may have been regarded is diminishing rather than increasing?

Mr. Leighton: There is a lot of good will for the idea of a proper high-quality youth training scheme. The Labour party has been advocating a two-year youth training scheme and the Trades Union Congress supports a two-year scheme. The TUC is a part of the Manpower Services Commission and is giving great support to a two-year YTS, so I concur with what the hon. Gentleman has said. Despite all that, many people doubt the Government's motives. Therefore, the Government have a responsibility to remove that doubt. Nobody knows what the two-year scheme will offer young people. I do not know whether the Minister of State is listening to me or to his colleague, the Under-Secretary of State for Trade and Industry, who has great knowledge of skillcentres. I hope that the Minister will listen to the debate. We do not want more of the same or twice what we have now.

The credibility of the YTS will depend on whether there is a job at the end of it. We are told—perhaps the Minister of State will confirm this—that the most recent figures show that the number of trainees who get a job at the end of the scheme is diminishing. My hon. Friend the Member for Huddersfield (Mr. Sheerman) said that half, or less than half, of those on the scheme obtained a job. We now understand that less than half of those on a scheme get a job at the end of it.

The youth training scheme must be of high quality and the second year must be an upgrading year that builds upon that achieved in the first year. There is very little evidence that it will be a better scheme. No one knows what it will be. There is really no such thing as the youth training scheme. There are a number of different schemes that are voluntary. We must listen to the CBI and the employers. The cash made available by the Government for the scheme is roughly £1 billion, the amount that they originally set for one year. Now they want two years of YTS at £1 billion. Is it possible to have a high-quality two-year scheme for £1 billion? I do not think it can be done, and the employers I have met do not believe that it is possible.

On the day that the White Paper was published, the CBI told the Select Committee that it was anxious about it. The Ford Motor Company said that it was not prepared to put in any more money, and it had one of the better schemes.

Many trainees do not stay in the YTS for the full year, so will they stay for two years? What will they do for two years? No one has given any sign of what they are to do for the second year. If the Minister of State can give any clear guidance I shall be pleased to hear it.

Those who suspect the Government's motives see the YTS as a cheap-labour scheme. If the allowance was still indexed to inflation, in the first year it would be £34, but it is now only £26·25. If the Government want to protect themselves from the charge that the YTS is a cheap-labour scheme, especially in the second year, they will have to increase the amount of the allowance. I hope that they will understand that that comment is made by someone who wants a decent credible youth training scheme and does not believe that the YTS should be abolished.

5.4 pm

Mr. David Madel (Bedfordshire, South-West): I do not agree with most of the rhetoric from the Opposition Benches but I think that the Opposition have chosen an appropriate subject at an appropriate time as we are about to embark on the public expenditure review for 1986-87. Much of what has been said has been an attempt to persuade the Government to alter their priorities on spending and, therefore, education, training and updating skills are extremely relevant issues. Those of us now sitting on the Government Benches recognise that as a major challenge to the Government to ensure that as the new jobs appear the appropriate skill training is available for those who are seeking new jobs.

I welcome the part played by the Open university in providing fresh opportunities, especially for the adult unemployed, for learning new skills. I welcome also the support that the MSC is giving to adult training courses. In my view, there will be widespread support for the recent creation of a new standing committee on continuing education. By bringing in the Open university and other further and higher education institutions, that committee will be able to provide new practical schemes which will enable people to acquire new skills. This new body will be able to learn much from the welcome growth in many part-time courses in polytechnics that we have seen in the past two to three years.

There are two points that I want to make about the role of schools in the teaching of new skills. There has been enormous and welcome popularity and support for the Government's introduction of TVEI because of its enrichment of the curriculum and because of what it is doing to help young people to get jobs. However, the equipment used is expensive to acquire and is expensive to maintain. It is much-used equipment. I hope that proper account has been taken of the need to maintain the equipment in the budgeting, financing and planning of TVEI. It will be useless unless it is properly maintained. It should be recognised also that the cost of maintaining it is increasing all the time.

The second year of the YTS is very much unknown territory. Given the growth of further education and the improvement generally in higher and further education, young people may want to use the second year of YTS to return to full-time further education. There is a problem for the Government, as it is not clear what system of student financial support will be available for a young person if he leaves YTS in the second year to go into non-advanced further education or another form of further education and his local education authority is not obliged to supply a mandatory award. There is thus a gap in our student financial support provision. We shall soon have the Green Paper on student finance and grants and in my view it will have to take up that issue, especially as we are moving into the two-year YTS.

The way in which the Government fund research has a direct relevance to skill training. We are rightly concerned to see much more innovation from small firms whereby we encourage the talented to exploit their ideas through the growth of small firms. One of the reasons why the United States has seen such a surge in its economy through the growth of small firms is that a proportion of federal Government research funding always goes to small firms and small businesses. That is something that we should copy quickly.

I welcome the recent Government announcement that an additional £4 million is being provided for nine key university research groups to support research of international standing and industrial promise. However, it is public expenditure review time and I want to highlight two of the statements made by the recent report of the Advisory Board on Research Councils to the Government on science and public expenditure in the next two years. The board made two statements which cause me to worry. First, it said:

"large new facilities with the Science and Engineering Research Council cannot be exploited fully because the Council cannot afford the necessary instrumentation."

Secondly, it pointed out that the

"Natural Environment Research Council does not have the resources to fund full UK participation in the Ocean Drilling Programme, of fundamental importance to advances in knowledge of plate tectonics and mineralisation".

The Government have time to make alterations. The report has to be considered by the Government and action can be taken in the autumn, when the public expenditure for 1986-87 has been agreed. The matters referred to by the advisory board need urgent attention because of their relevance to our efforts to improve skill training and increase employment. I am sure that the Government, in their spending review in the autumn, will want to take additional practical steps to accelerate economic activity, and above all to improve our research base, thereby helping to reduce unemployment.

Our aims with regard to learning new skills and updating skills will not be properly achieved unless there is peace and stability in the classroom. It does not exist at present, with deadlock in the teachers' pay dispute and classroom disruption happening in various parts of the country. I praise the Government for what they have achieved in obtaining greater co-operation between education and industry. As that co-operation increases, the teacher trade unions should look to industry for management advice and expertise in helping to create a new salary structure which will properly reward effective and dedicated teaching.

The debate has been about skills and employment. It is time to show some industrial relations skill in the education service, so that the dispute may be brought to an end quickly, and a phased salary offer, coupled with a new salary structure, can allow the education service to prepare young people for working life and enable them to take advantage of the rapidly growing new industries with new job opportunities.

5.12 pm

Mr. David Penhaligon (Truro): I welcome an opportune debate and congratulate the Opposition on raising it.

The issue of skills in Britain has a far wider effect on the nation that has been indicated in the speeches so far. I am by training an engineer and therefore aware that, even during the boom periods of the nation in the 1950s and 1960s, what Britain made was not a reflection of what we were capable of making but rather a reflection of the skills that were available to industry. In addition, many of the ways in which things were made were also a reflection of the skills available to industry.

It is interesting to consider who was to blame. I do not believe that the unions helped, with their restrictive practices, although I admit that I agreed with and enjoyed much of what the hon. Member for Newham, North-East (Mr. Leighton) said as a representative of one of the print unions. There was a degree of irony in his speech, because the print unions have probably done more than any other unions to oppose innovation, new technology and new working methods. They are the classic example of much of what is wrong with Britain and of the mire in which we find ourselves.

Mr. Leighton: I often hear that said, but is the hon. Gentleman aware that last year the printing unions and the British Federation of Master Printers reached a comprehensive agreement on training, and that there is complete harmony in the industry on training matters? Indeed, it is one of the few good examples in British industry of agreement on training between employers and trade unions.

Mr. Penhaligon: It is true that there is some willingness to allow training so that people can work the antiquated machinery that dominates much of the printing industry. What is required is training for the new technologies and an open-armed, welcoming approach to allowing it to be incorporated into our production system. I say that in the belief that one of the great duties of this House is to improve the living standards of people who work with machines.

It would be foolish to think that the blame lies only with the unions. When we consider our great industrial background and our role in the industrial revolution which transformed the world, it is extraordinary that we seem to live in an anti-technology nation. In the local sixth forms and colleges, where the brightest young people in a town or city are to be found, how many of them want to make something or grow something? Very few of them want to do that. That is not so in Switzerland, West Germany and France, where a reasonable percentage of the best and most able young people see their future in making or growing things, and look forward to such careers with enthusiasm and dedication.

To the extent that skill acquisition is now a political issue in Britain, I welcome the change of mind, because

[Mr. Penhaligon]

it is high time that we set to work to change attitudes. Much of our wealth-producing sector was based on low and medium technologies. We produced items that others could make, and that others made with a little higher productivity and slightly lower wages. In that way they undermined much of our economy. We have lost enormous swathes of our markets in the past few years. We lost them more rapidly than was necessary because of much of the Government's economic policy, but it could well be argued that we would have lost many of those markets in any event.

In debates such as this we tend to talk about training and jobs as though they were totally different entities. Although they are not the same, the two are closely connected. Suppose that by some miracle every person in Britain tomorrow could have a job. The current levels of skill and tuition would be inadequate to enable that position to be maintained for very long. Training is not an alternative to unemployment; it is a part of employment, and the nation's prosperity depends on it. We must begin to regard training in that light.

The youth training scheme has considerable potential. It is often referred to as a uniquely British idea, but it has been copied from other countries. It is none the worse for that, and I welcome the fact that we are now learning from the experience of other countries. I am, however, a little concerned about the content of the training schemes. In many communities training is often depicted as something that young people should do if they have failed to get a job. It is regarded almost as a sort of punishment. That is not how we want to see the YPS develop. It must be seen and believed by communities to be a sensible alternative to immediate employment, enabling young people eventually to enter the employment market at higher levels of skill, for which they will receive higher levels of reward.

To some extent I agree with the Government that the people who are most likely to know where training is most required are employers. After 10 years in this House, I have a shade more faith in the employers' choice than in that of any Secretary of State.

Employers are not forced to put anything like the resources into training that are manifestly required. The hon. Member for Huddersfield (Mr. Sheerman) said that employers should be spending £26 billion a year on training—that sounds like a figure plucked from the air and a shade higher than my guess. But to put it bluntly, employers are not spending enough and I believe that we should use legislation to force employers to pay their fair share and to make an active contribution towards training. If it could be demonstrated that the voluntary sector is producing the goods, well and good. But I see little that makes me believe that, when training is voluntary, the employer provides anything like the quantity that is required.

Skillcentres are not tablets of stone, nor is there any reason why skillcentres should be used indefinitely as part of the training scene. However, they work. If one goes to any constituency and talks to people about their lives, jobs and living standards, they point to the local training centre as a great turning point in their lives. Such centres enable them to obtain substantial skills which they are able to put to good use for themselves and their employers. This is precisely what is required—skills that are good for the individual and employers.

Some of the changes that the Government have made do not make sense to me. The situation in south Wales, not surprisingly, has been mentioned today, but there are other areas where there are problems of similar magnitude. My hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith) has said that many of his constituents have to travel 25 miles to the present training centre, at Killingworth, but it is to be closed, so the nearest will be 55 miles away. Even the most optimistic rural traveller, used to travelling further than urban dwellers, knows that 50 miles there and back puts an end to training on a day-to-day basis. That is the scrapping of the skillcentre and a local resource.

I do not say that every skillcentre should be maintained for ever but much of what the Government are doing worries me. I see the excellence of one section of our training being greatly reduced, but for what purpose? Clearly, it is to release a little money to offer a little training for a lot. I must tell the Government that offering a little training to a lot or offering a lot of training for a few are not acceptable alternatives. One way or the other, we must find the resources to manage both.

Other equally crazy examples are not difficult to discover. Plymouth runs a computer training course which my constituents are desperately keen to get on. However, to get on the course—there are none in Cornwall—Plymouth has to declare that it can find no one in Plymouth who wants to do the course. Therefore, if nobody in Plymouth wished to do the course, the droppings are offered to my constituents. That is crazy. There is no quality, no quantity and no analysis of who can use the course best. The centre is in Plymouth, so Plymouth people have first dab, and the Cornish are left out. I am sure that the same is true throughout the country.

We are told that in future there will be no list of applicants and no analysis of applicants. Courses will be stuck up on the board and the lucky person on his lucky day who wanders in and grabs the card off the wall before someone else will get the training. The Minister should talk to the chairman of the Manpower Services Commission and ask what logic there is in such a system. I know why the system exists—it appears marginally to reduce administration costs.

We are back to spoiling the ship for a ha'porth of tar. I suspect that the Minister agrees. He believes that we must improve training, and he works hard to that end, but we do not get the impression that the same is true of the whole Government. I am sure that one reason why the Government have devoted more, but still meagre, resources to the youth training scheme is their desire to reduce the unemployment figures. There is nothing wrong with the desire, but there are other reasons for improving training.

Unless Britain gets its attitude to skill acquisition and training right in the next 10 to 15 years the decline in our basic wealth production will continue and Britain's economic outlook will be very poor.

5.26 pm

Mr. John Watts (Slough): A debate on youth training nearly two years ago provided the occasion for my maiden speech. I chose that debate because I take an interest in the subject, and it was of great interest in my constituency.

Last month, unemployment was 6·8 per cent., or 4,631 people. In that month, 663 vacancies were notified to my local job centre, and there was a stock of 679 vacancies

at the end of the month. On the assumption, which I think is valid, that only about one third of vacancies are notifed, the pool is likely to be between 2,000 and 2,500.

By national standards, Slough has a relatively small unemployment problem, although it is just as tragic for the unemployed in Slough as it is for the unemployed in the constituency of my hon. Friend the Member for Langbaurgh (Mr. Holt). Slough has not so much an unemployment problem as an employment problem which is typified by a chronic shortage of skilled labour. I have visited about 50 companies in my two years as a Member of Parliament and spoken to the managers of many more, especially at meetings of chambers of commerce. All tell me that the major curb to expansion now is shortage of skilled labour. That curb on job creation has spin-offs in other parts of the country.

Slough is at the eastern end of the Thames valley and has recently been dubbed silicon valley because of the increasing representation of computer and information technology companies in the Thames valley corridor. However, that is only part of the picture.

Although an increasing number of computer and information technology companies have moved into my constituency in the past few years, the traditional character of Slough as a centre for the engineering industry remains relevant. There are just as many shortages in the more traditional skills as there are in the new glamour industries.

Some of the problems of the engineering industry were highlighted in a recent Thames Television programme that featured one of the many companies that permanently have a substantial number of vacancies for skilled engineers. I visited my local jobcentre recently and asked the manager, "We often hear about the hard-core unemployed, but can you tell me anything about the hard-core vacancies? How many vacancies stay on your books from month to month?" We were unable to arrive at a precise figure, but he was able to tell me that there is a large unsatisfied demand for skilled engineers. One wonders why such vacancies remain unfilled when the problem of unemployment is on everyone's lips.

The hon. Member for Newcastle-under-Lyme (Mr. Golding) mentioned the reluctance of some people to return to their original trade after they have had to leave it. It is part of the local perception in my community that people who left the engineering industry in the depths of the recession and obtained other jobs, at Heathrow airport for example, which are not skilled but have the same rates of pay, are reluctant to move back to the jobs for which they were trained.

There are obstacles to mobility. Because of Slough's relative prosperity, housing costs are high. Slough's major expansion, which started in the 1930s, was facilitated by importing skills from other parts of the country. That is no longer an option for many companies because of the barrier which housing costs create. No one can be expected to sell a house for £15,000 or £20,000 in the north of England and take a job in Slough, where perhaps an equivalent property would cost £40,000 or more.

There are structural features of immobility, such as the impact of our social security system. Immobility is created by the comparison between drawing benefit and drawing wages. I believe that the Secretary of State's review of the system will help to overcome some of those problems.

Surely some of the 4,600 or so people registered as unemployed in my constituency have skills that are in demand. They cannot all be unskilled and unsuited to the jobs that are available.

Another problem is that we have little or no information about the skills and experience of those on the unemployment register. Such information might be of little more than academic interest in an area where job seekers vastly outnumber vacancies, but in places such as Slough, where unemployment is relatively low and skill shortages are severe, there could be value in having such information available.

If a local employer contacts the Slough jobcentre and says that he has, say, 10 vacancies for capstan lathe operators, although the official statistics may show that 4,600 people in Slough are supposedly looking for work, it is not possible for the jobcentre to put the employer in touch with a single person who holds himself out as having that skill. The information simply does not exist.

As a practical step towards meeting the skill shortage that faces many companies in my constituency, Ministers should look again at the decision no longer to require the unemployed to register at jobcentres. We need to gather information about the skills and experience of the unemployed if we are to make good use of the reservoir of skill and experience which must exist in every constituency.

Slough has relatively low unemployment, but severe skill shortages. It would be a good place to restart gathering information.

Mr. Peter Morrison: Anyone who wishes to register at a jobcentre is entitled to do so, and it is in order for him or her to state precisely any details of previous skills and experience. Officials at the jobcentre will endeavour to match those skills with employers' needs.

Mr. Watts: I know that there are voluntary arrangements — the manager and staff of my local jobcentre undertake that task enthusiastically when requested to do so — but we need more structured information so that we can match skills to vacancies and identify the potential for retraining to meet skill shortages.

I suspect that there is not a close match between the skills that are in short supply and the experience and skills of the unemployed. Otherwise, there would be more initiative from the unemployed in finding jobs. I suspect that, with a little retraining to facilitate people building on an old skill, there would be considerable potential for them to move into new jobs requiring different skills, but ones for which they could be trained.

Slough is lucky to have a go-ahead chamber of commerce and industry, which has taken a leading role locally in the youth training scheme. We have 360 young people in training, and 350 local companies have participated in the scheme in the past two and a half years.

We have heard from the Opposition depressing statistics about the YTS. I can speak only for Slough, but 90 per cent. of trainees are retained in full-time employment at the completion of their courses by the company that provided them with the training. An even higher proportion get jobs. Local companies have seized on the YTS as a golden opportunity to train people to meet skill shortages.

The local chamber of commerce and industry, sponsored by the Manpower Services Commission and the

[Mr. Watts]

Department of Education and Science, and in collaboration with the local further education colleges, is investigating skill shortages and training needs throughout east Berkshire. I do not suggest that we should have endless investigations, but I hope that this is not a one-off exercise. I am suggesting that there could be a much greater role for chambers of commerce and industry. They could be involved in both identifying local skill shortages and co-ordinating the required training. The hon. Member for Truro (Mr. Penhaligon) said that he had more faith in employers than in the Secretary of State identifying training needs. To use a different comparison, I have more faith in the ability of a good chamber of commerce and industry to identify the training needs of its member companies than I have in the Manpower Services Commission. Therefore, I should prefer far more of the funding made available by the Government for training to be routed through chambers of commerce and industry.

That is the way in which training is carried out in Germany, which has been held out to us as a shining example of how training should be organised. I had the opportunity to visit Germany last year to study vocational training there. Success in Germany is based not upon the investment of vast sums of taxpayers' money but upon investment in training by industry. It is common for the chambers of commerce and industry in Germany to play a leading role in both setting the standards and monitoring the performance of those who are being trained.

One reason why industry in Germany has been able to afford to maintain a massive training programme throughout the recession—this year German industry has provided 800,000 new training places for school leavers—lies in the sensible attitude towards the remuneration of trainees by both sides of industry. Whereas in this country apprentice pay rates have recently been about 60 per cent. of adult rates, in Germany the typical range is between 20 and 30 per cent. of adult rates. Over the years, trade unions in this country have succeeded in forcing up the rates of pay for apprentices to completely unrealistic levels. Consequently, they have succeeded in eliminating the training of apprentices throughout most of British industry. It is against that background—*[Interruption.]* Does the hon. Member for Huddersfield (Mr. Sheerman) wish to intervene?

Mr. Sheerman: It is not worthy of an intervention.

Mr. Watts: I could have made very much the same comment about the majority of the hon. Gentleman's opening speech, but I heard him muttering on the Front Bench and thought that he might wish to intervene. Clearly he does not wish to do so; he prefers just to mutter.

It was against that background that it became necessary for taxpayers' money to be injected in order to establish the youth training scheme. The Government are right, however, to insist that there must be a much bigger contribution from industry to the extended youth training scheme that was announced in the Budget speech.

I do not believe that skill shortages will be solved by throwing taxpayers' money at the problem, which seems to be the only solution of the Labour party; nor do I believe, in the words of the Opposition motion, that "a comprehensive statutory framework" will deliver the skills that the country needs. Nothing seems to me to be less like a recipe for success than a statutory framework. A major change in attitudes is needed. Our young people need to recognise that the long-term value of sound training is more important than a few extra pounds in their pockets during the early years of their working lives.

Industry needs to recognise far more clearly than it has in the past that training is an investment, not an overhead, and that the responsibility for providing training rests with each business, not just with its competitors. It is not good enough to rely upon somebody else to train and then hope to be able to poach in sufficient numbers to meet one's needs. I agree with the hon. Member for Newham, North-East (Mr. Leighton) who made that point. The trade unions need to recognise that the contribution to overheads, let alone to profit, of trainees in their early years is negligible and that this should be reflected in the rates of pay for trainees.

The hon. Member for Newham, North-East referred to the youth training scheme allowances and the suspicion that this scheme is designed to provide cheap labour. That is not the reality. The allowance rates are a recognition of the work that is done in the early years of training. The time for bigger reward comes later, when the training has been completed and experience has been obtained.

Anybody who listened to the speeches of Opposition Members and who was ignorant of the facts could be forgiven for believing that until May 1979 Britain had a comprehensive system of vocational training which was then destroyed by a callous and indifferent Government. The Opposition motion refers to

"the Government's destruction of the nation's training system".

Yet anybody who looks at the facts sees that the reality is very different. The Labour Government introduced the youth opportunities scheme. That was mainly a cosmetic measure—an allegation that was subsequently thrown at the youth training scheme, but with very little justice. That cosmetic measure has been replaced by YTS. It is the first attempt ever in this country to provide school leavers with relevant work-related training.

Mr. Sheerman: Will the hon. Gentleman give way?

Mr. Watts: No. I offered to give way earlier to the hon. Gentleman. Many of my hon. Friends wish to contribute to the debate, so I shall not give way now.

The industrial training boards were a costly bureaucratic money-go-round. The name of the game was to see whether one could load overheads upon one's training budget and then recover more out of grant than one had to pay through levy. It had very little to do with the provision of training. Apprenticeship schemes were made cripplingly expensive for employers by trade unions forcing up rates of pay, just as the Opposition would like to do with the youth training scheme.

This Government have produced the first coherent training strategy that this country has ever had. In partnership with industry, this strategy will, I believe, meet the skill needs that are so vital to my constituency and to the future industrial success and economic growth of this country.

5.46 pm

Mr. John Golding (Newcastle-under-Lyme): Tory Ministers dealing with skills and training are, in my view, amiable but incompetent and gullible. They are gullible because they have been taken in by the employers. In his Budget speech the Chancellor said:

"too many employers still fail to recognise that training is an investment in their own commercial interest. This is in marked contrast to our major competitors overseas." — [*Official Report*, 19 March 1985; Vol. 75, c. 792.]

Both those statements could be wrong.

I say to my own Front Bench that it should not believe that training is always in the interests of the employer. I was a joint Under-Secretary of State in the Department of Employment before 1979. A problem that we constantly faced was that workers who were trained by one industry were then poached by another. Lorry drivers are a very good example. Heavy goods vehicle operators accept that, having paid for training somebody, others then poach those they have trained. Training is not necessarily a good investment. The Chancellor's statement is true if one refers to Britain in general, but in the case of each employer it is not necessarily true. It is cheaper and better for one's shareholders not to train if somebody else is carrying out training and if it is possible to poach those workers at the end of their training.

Ministers are gullible because they believed employers who said that they would do a far better job than the industrial training boards. There is no evidence for that. They have done worse. However, Ministers believed the employers when they asked to be freed from the industrial training boards so that they could provide the training. The result is that we have the pathetic sight of the Under-Secretary of State for Trade and Industry ticking off the employers because they are not doing the job that they promised they would do. Employers are being begged to do that job and they are being threatened if they do not do it. Mr. Deputy Speaker, would you be frightened by the Under-Secretary of State who is sitting on the Front Bench now? Would you part with your shareholders' money if the Minister was sent to tick you off?

Of course you would not. The Minister of State goes around the country chiding employers for not training. The employers smile and enjoy the speech. They are amiable, and they share a gin and tonic at the end of the meeting. They then go their respective ways and no training takes place.

I do not believe that Ministers are callous and indifferent. They are amiable, incompetent and gullible and the country suffers from the gullibility. I asked the Minister of State a serious question about skill shortage, and he did not seem to grasp the point. The Minister of State contradicted me and the Secretary of State nodded in agreement with me.

Everyone knows that one of the reasons for the present skill shortage is that people who have used their skills for 20, 25 and even 30 years and been declared redundant, have found more secure jobs perhaps as postmen or milkmen. They have grown to like the independence of that job and because they no longer face redundancy, they stay in that job. As a result, a semi-skilled or unskilled person who could be trained as a postman or milkman is kept out of a job, and we are short of a skilled worker.

When I was in the Department of Employment I was appalled at the waste of skill. We had no policy to cope with that wastage. The Chancellor has compared this country with Japan, but great differences exist between us. The Japanese have lifetime security in a firm. That security has two effects. First, because there is little mobility between firms, it is worth while for a company to invest money in a youngster and subsequently throughout his adult working life, because the company knows that its investment will be repaid. After all that training the individual will not disappear. Secondly, it is worth while for the individual to accept that training because he or she knows that the job is secure.

Hon. Members should not think that the answer to skill shortage is simply further training. It is pointless to continue training if the trainees will not use their skills. I must however modify that statement. I disagree strongly with my hon. Friends, the Chairman of the Select Committee and the Minister when they say that training is only worth while if there is a job to go to.

When I was in the Department of Employment I saw hundreds of young people in training who would otherwise have been on the streets. I defend training for training's sake, if the alternative is for the young people to do nothing. Apprentice training is not only about teaching a youngster to use or maintain equipment; it is about giving youngsters dignity, self-respect, status and a position in society. Industrial training is as important to the individual as it is to the employer.

We heard a lot of claptrap from the Minister about training for the new technologies. He said that we should forget the traditional apprenticeships and concentrate on the new technologies. I tabled early-day motion 574 to draw attention to the fact that only 32 apprentices are to be recruited this year by British Telecom, London, which has an engineering work force of over 27,000. It is a highly profitable company engaged in high technology with an expanding market. I was shattered when I realised that British Telecom was cutting its apprentice recruitment. We are not talking about the traditional apprenticeships that the Amalgamated Union of Engineering Workers proudly controlled for a century or more. We are talking about modern apprenticeships in a modern technological industry. BT has decided to cut recruitment of apprentices in this important company because it is responsible to private shareholders now and not to the public good.

The Minister of State is not present but when he returns the Under-Secretary can tell him that I have not been to a telephone exchange for at least a fortnight. I say that because the Minister of State chided the Opposition Front Bench for not visiting factories.

What BT is doing for training is an illustration of what is happening elsewhere. The Minister of State talks about modernising training. BT's attitude is to stop training engineers in the complete system and to teach them only what they need to know to do the job in hand. Its training philosophy has retreated centuries. For a long time BT took great pride in its training. That pride was shared by trade unions and management. Entry was not restricted. Training at all levels and ages was accepted.

Management is now saying that it will not train in systems so that trainees can understand all the work, or in a way that will enable them to adapt in the future. It is training people to perform some industrial tasks only. That is not good enough. BT has been cutting its regional training schools. I understand that its Kew training school is closing. BT prefers to issue glossy periodicals, to spend money on useless advertisements and to reduce consumer relations training. It does not make sense. It accords, however, with management thinking in British private industrial companies. I understand that the training of clerks is also being restricted.

The MSC's "Labour Market Trends: Midland Region" assessment is a devastating report for anyone who has the interests of British industry at heart. It talks about the vast

[Mr. John Golding]

need for training. It refers to upgrading, updating, giving operatives many skills and the acquisition of management. I shall not go through them all because I want other hon. Members to have the opportunity to speak.

It is clear from the report that there is a need for industrial training. We should not look at this subject merely against the background of training cuts during the recession because of Government and management decisions. It is decades since the unions restricted entry into apprenticeship schemes. When I was Under-Secretary of State for Employment, I spent my time receiving deputations from unions demanding an increase in recruitment of apprentices.

The MSC report states:

"It must be obvious that sufficient money is not available to fund the sheer enormity of the training that is required in the new technology age."

The MSC seems to accept that smaller firms will not be able to afford training because of the expense of the equipment used in training.

When I was Under-Secretary of State for Employment, I oversaw the payment of unemployment benefit and training, but I found it difficult to get hold of the training aspect. The training division of the MSC did not show sufficient leadership. Often the industrial training boards were not properly staffed. I came across some that had been staffed by ex-colonials. One empire collapsed; another was created. Let us make no bones about it: neither the MSC training division or the ITBs had sufficient clout to do the work that was needed.

I believe that the Government have been totally wrong in finding defects in the MSC and then saying that they will abolish the ITBs. I recommend that they read Burke who referred to conserving and improving. The Government seem to be not conservators but smashers. They should have improved, not smashed, the system. The Government have been wrong to dismantle the skillcentre system.

The Government should not believe that employers will ever part with their money for training unless forced to do so. We shall be short of money for training unless someone pays. Either the taxpayer or the employer must pay. Both parties seem to agree that the employer should pay. If we are to have training, payment must be compulsory. It is no us sending the Under-Secretary of State for Trade and Industry—the hon. Member for Coventry, South-West (Mr. Butcher)—or the Minister of State, Department of Employment, whining—not "wining"—and dining with employers. It would be far better for Parliament to say to the employers, "In the interests of individuals, industry and industrial efficiency, we need industrial training. You must pay and provide the training on which this nation's future depends. We will introduce collective funding."

The Government will throw away Britain's industrial future unless they have the courage to face the employers with this unpalatable fact.

6.4 pm

Mr. Richard Holt (Langbaurgh): I am disadvantaged compared with other hon. Members, because I became a Member later in life than most. I carry with me the disadvantage of having worked for my living in industry and knowing at the sharp end more about training than some of the Labour Front-Bench Members who have sought to make derogatory remarks.

We must look at the seed corn of education to determine where the original fault lies. In the education system we start by denigrating those who work in industry and commerce—those making or growing something, as the hon. Member for Truro (Mr. Penhaligon) said. It is perhaps not accidental that few people at school ever want to be salesmen. Few teachers ever say to a young person, "You should be a salesman." Yet there is no shortage of salesmen. One reason is that salesmen invariably get a car with the job. That is why the percentage of company cars in Britain is the highest in the world. That does not come about by accident, nor does the education system bring us by accident to where we are in industry.

Why do our schools teach almost exclusively French and a little German, almost to the exclusion of other languages? When will our schools start teaching more Spanish and Japanese and one or two Eastern bloc languages? It would be good for commerce and trade and for international relations if one could have a face-to-face dialogue with another person instead of relying upon an interpreter every time. However, if one tries to bring a greater variety of language teaching into the education system, the teachers rise up, almost as they are doing at the moment.

Like my hon. Friend the Member for Slough (Mr. Watts), I chose to make my maiden speech on this subject. I wish to continue the theme on which I started in the House two years ago but on which I had been speaking publicly outside for more than a decade—the theme of the lack of cohesion between education and training. Education happens in schools and training happens outside schools. There seems to be almost no relationship between the two. I resigned from an MSC committee because I wanted a headmaster of a school to be included on the committee so that there was a link between education and further education. A principal of a college of further education said that he would resign from that committee if I tried to force through the measure. In the end, I gave up trying to beat such bureaucracy.

Training boards were a good idea when first set up. They had some fundamental good points, but they were also flawed and, in the end, became a cop-out. They became too bureaucratic. There were many more bureaucrats shuffling pieces of paper around making sure that levies or grants were right than there were people involved in training. The boards were wasteful in that they did not give a true return for the amount of money that employers were forced to put into the scheme. In fact, the grants and levy scheme did not work. My company was able to obtain an exemption because it was good at training. That had nothing to do with the money element.

We should have an audit of training, not of whether companies are putting in the right amount of money. I should like to see an audit of training as part of the Companies Act in the same way as there is an audit of a company's accounts at the end of every year. It would be interesting to see how many people have been engaged in and completed training, and, in the final analysis, whether it is cost-effective.

Therefore, training boards were a cop-out. They were somewhere for people in their latter years to go on an occasional afternoon. The further education colleges are not much better. The audit report shows that they are almost worse. However, even the audit report could be flawed because the statistics on which the commission has just reported are, I understand, three years out of date.

There has been considerable discussion about skillcentres. I believe that the Government have got it wrong. It is not the first time that I have told the Government that they have got it wrong on this issue. I have told them on at least four occasions in the House, and I make no secret of it. To close the skillcentres before the other scheme had been introduced and was proven to be better was wrong. The Government should have maintained the skillcentres and found the additional resources and finances necessary to try out the new scheme, which I am sure will be successful in the rural and far-flung areas. They should not have closed the skillcentres first.

My skillcentre in Middlesbrough is one of those that are doomed. I wrote and asked why Southampton and Twickenham were not having their skillcentres closed, and why they were removed from the list. The answer that I received was that the chamber of commerce in Southampton had decided to take on any shortfall in financing of the skillcentre in Southampton. I wonder whether that option was given to the chamber of commerce in Middlesbrough, or to chambers of commerce in any of the constituencies in which skillcentres are being closed. Therefore, the Government have got it wrong in closing skillcentres.

The main reason why the Government have got it wrong relates to a point raised by my hon. Friend the Member for Slough. Seven days ago at this time of day there was a television programme on BBC North in which I launched an initiative called Job Link North. As is apparent to most people, I do not have a northern accent, although I represent a northern seat. I found that in Slough and the adjacent area where I come from, hundreds of jobs were unfilled. Therefore, I have now introduced a scheme, with the help of the jobcentres, chambers of trade and many other people, to have the local newspapers from that region sent up to the north so that people in the jobcentres and clubs can see them. I have not been partial about that because the newspapers have been put in Conservative and Labour clubs, and I think that there is even one Liberal club somewhere. Thus, as wide a spectrum of people as possible can see what job opportunities are available.

However many such initiatives are introduced, unless something is done about housing, the "on your bike" syndrome will fail. On 5 June I suggested that Ministers consider a scheme whereby anyone who has been unemployed for six months or more should be granted the equivalent of one year's benefits to act as a deposit on a house in a region of high-cost housing, subject to that person having a job and retaining that job over a given period. That lump sum, which would have been given to the person anyway for staying out of work for a further year or two or three, would allow the person to move to an area with skill shortages such as Slough and the adjacent area. It would save the Government money and give pride and impetus back to the person, but, more important in skill training, it would give a goal to some of the people in my area, so that they would take the trouble to learn skills in the traditional, old-fashioned sense, and would know that there might be a job in the end.

The prime reason why Middlesbrough skillcentre is to close is that one of the criteria is how many people go into jobs having been through the skillcentre. In an area of high unemployment, there is no need to give a person training in skills. It seems that that is the Government's attitude. I should have thought that we would want more people to be trained in skills so that they could go wherever they wanted with those skills.

Apprenticeships have changed and will continue to change. Skills are a movable feast. One of the things in which we have a proud tradition is the standard of skill training in the City and Guilds of London Institute, which has been recognised worldwide for many years. It celebrated its centenary not long ago. The institute, which I think many people would respect, has a new director-general, who took up his post last November so that he could have a break-in period before fully taking over in April. I have spoken to the new director-general. I asked him how many Ministers he had met. After all, he is the director-general of the most prestigious craft training institute in the world. The answer was, none. There are to be informal discussions between officials, before the formal discussions between officials, before they finally meet Lord Young in November.

I thought that perhaps I had got it wrong. I thought that perhaps the trade unions had been to see the director-general and everything was all right. I have to admit that one trade union has bothered to send its man in charge of training to the institute to talk about training today and in future. That trade union is the one that is least liked by Opposition Members — the Electrical, Electronic, Telecommunication and Plumbing Union. By and large, the trade unions have little to boast about in that area.

I am getting signals from the Whip to shut up, but I want to tell the House something about voluntarism. I know a teeny bit about this industry. I should declare an interest. There was not a single betting shop anywhere in 1963—not one—because they were illegal. Since 1963, many betting shops have been opened in this country. Almost all of them are managed by someone who has been trained, entirely voluntarily, in bookmaking. Not a single penny piece of public money has been put into it. Perhaps one of the reasons is that the mathematics is a little too complex for some of the teachers in our schools. However, the industry has stood absolutely on its own two feet. It has never sought anyone's assistance. It has many skilled, trained people today, all of whom have come through the business.

I spoke first on this subject two years ago. I shall no doubt speak on it again in two years' time, and again two years thereafter, because training is an ongoing subject. I wish the Government well, but I wish that they would sometimes watch the amber lights as well as the green ones.

6.19 pm

Mr. Ted Garrett (Wallsend): It always seems to be my lot in debates to be what would be termed in football parlance as the sweeper-up. However, I have sat through the debate patiently and enjoyed some of the speeches. I have been amazed at the abysmal ignorance of some Conservative Members about real life in engineering and industrial apprenticeships. I agree with the hon. Member for Langbaurgh (Mr. Holt) that the closure of skillcentres was a gross error of judgment. The skillcentre at Killingworth is being closed when thousands of miners are being put out of work, and there is a need to train mining, electrical and mechanical engineers from the mining industry in other skills.

The history of the Government's approach to training has not been good. Indeed, it has been abysmal. The

[Mr. Ted Garrett]

Minister made some remarks which got up my nose, especially when he asked the Opposition how many hon. Members had visited a factory. I have visited many factories, especially during the last few years. It is normally a visit to hear about redundancies or, as it was last week, to hear about the loss of 700 jobs and the closure of a plant. That pattern has gone on for years in many areas.

The Minister then said that training must be relevant to the future. If he had said that five years ago, the position might have been different. A glorious opportunity has gone. We should have been spending our way out of trouble and on industrial training at the height of the depression. That opportunity has gone, as has the hon. Member for Slough (Mr. Watts). I wanted to tell him that he has an abysmal knowledge of the trade union movement and the apprentice payment scheme. However, I agree with him that there are skill shortages in some areas.

The Government have engaged in an academic exercise on how to spend less money and gain more, but it does not work. We are not spending the necessary time, effort and energy in training for the future, relative to a greater need and a higher level of technology, to meet the rapid changes. That is where the Government have gone wrong.

I agree with my hon. Friend the Member for Coventry, North-East (Mr. Park) who contradicted the Minister's remark that training for its own sake was no good. That is open to challenge. Training does not merely involve studying technology, and training, but meeting people and discussing the progress of educational training. It provides the opportunity to discuss the problems that arise in industry and commerce, and helps to build up an ability to communicate with others on problems. Earlier, it was argued that training facilities were being moved into rural areas. What good will that do when one instructor trains four or five people in a village of 400 people? Those people will remain isolated from the arguments that go on about the problems of industrial training. They will become introspective, instead of seeing the wider world of technology.

I too have limited time, I shall conclude. The motion sums up every problem that faces the Government, and their complete failure to meet the challenge. I feel sorry for the Ministers. The Secretary of State and his Ministers know in their hearts that they are being forced by the Treasury into financially based action, which they dislike. They have been in office long enough to realise that the policies that they are being forced to implement will not work. It is time that someone from the Department said so, and took a much tougher stance in Cabinet.

6.24 pm

Mr. Tony Baldry (Banbury): Proposals by the Manpower Services Commission to streamline Britain's skillcentre network have met with the predictable response from Labour spokesmen that the Government are applying their dogma of market forces to training. However, closer examination of the facts shows that the proposals are necessary if Britain is to have any genuine hope of competing effectively against our major rivals for world trade.

Last August, the Institute of Manpower Studies published a report with the stark message that spending on vocational training must rise if Britain is to compete. The report, entitled "Competence and Competition", concluded that Britain was seriously lagging behind its rivals in training, notwithstanding that the Government and British taxpayers were paying a higher proportion of training costs than was the case in the other three countries studied—Japan, West Germany and the United States.

The difference in training and competitiveness is not because of too little being done by the Government but, as the report found, the fact that whereas businesses in Japan, West Germany and the United States want to invest in people's training, British employers rarely assess what they should spend on education and training. In West Germany, which has a similar population to Britain, each year employers spend about £7 billion on continuing vocational education and training. Some 80 per cent. of the costs of Germany's expensive apprenticeship system is funded by employers, yet there is no need for compulsion because German employers see the value of investing in their work force. By contrast, too many British employers for too long have been inclined to think that whenever they are short of skilled people, they have only to telephone the local job centre and the people they need will be available and ready trained. They are not.

If Britain is to have a better skilled, more flexible work force, employers must take the lead in training. After all, they are in the best position to know their skill needs and to train people for new jobs. The machinery and technology in which companies invest can be the same the world over. What makes the difference in a highly competitive world is what people do with that machinery or technology—that means training a skilled work force, and employers investing in people.

Until recently the skillcentre network has had all too little to do with employers. All too often people at skillcentres have been trained speculatively for yesterday's skills with no prospect necessarily of a job at the end of their course. Without business direct from industry, skillcentres became all too dependent on one source of income — the budget of the training division of the MSC. But the MSC found that it could often buy equally good training from colleges of further education, often at half the price of skillcentres. Skillcentres have become increasingly under-utilised and expensive to run and, therefore, last year the skillcentre network had to be subsidised by taxpayers by about £12 million. That £12 million was spent on bricks and mortar, not on training anybody. If that had not been rectified, that subsidy would have been become £50 million in a couple of years' time, which is almost a quarter of the money available for adult training. Every pound spent on subsidising skillcentres is a pound less for training people. Therefore, it must make sense to streamline the skillcentre network to ensure that it carries out training directed to known employment needs, and to skills that are needed today, in the 1980s and in the next century.

It does not matter whether the building is called a skillcentre, a college of further education or a technical college. What is important is the quality, relevance and cost-effectiveness of the trainingin. Regarding the adult training strategy, the number of adults trained under MSC programmes each year will double to 250,000 by 1986, including a significant increase to 125,000 in the number of unemployed people getting new skills training. It is hardly surprising, therefore, that both the adult training strategy and the skillcentre training agency's business plan

received the unanimous endorsement of the Manpower Services Commissioners, including the trade union commissioners.

I shall conclude by touching on the youth training scheme. It is only Opposition Members who knock the YTS. They pay lip service to it, but when it comes to the crunch, they never give it their wholehearted endorsement. They are torn between wanting to endorse it and not wanting to give the Government credit for a good scheme. We have been asked what we want from a two-year YTS. It is clear what we want and what the Government and the MSC can deliver. It is a scheme to provide a vocational and educational training and work experience to all youngsters, ending with a vocational qualification—a qualification demonstrating occupational competence that can be taken into the work area.

Much has been said about the Government's contribution to the scheme in terms of funding, but we should remember this. It looks as though the Exchequer money available could stretch to a contribution of between £150 and £170 a month for each trainee for each of the 24 months of the two-year programme. If we take the mid-point of that range, it would mean an expenditure of £3,840 per trainee per annum. We should compare that with what is provided in West Germany. On its two-year apprenticeship scheme, the average net cost to the employer is £3,600 per trainee per year. No money is provided by the state. Why do German employers continue to make that contribution each year? The Germans are fully conscious that their industrial success and high standard of living depend upon their ability to produce advanced goods reliably and efficiently. That means that the Germans have stopped regarding training as an on-cost and now regard it as an investment.

Britain will improve its position not by forcing employers, through a statutory framework, to contribute more towards training, but by making employers realise that training is an investment, not an on-cost.

6.31 pm

Mr. George Park (Coventry, North-East): I do not wish to blight the parliamentary career of the hon. Member for Banbury (Mr. Baldry) by saying that I agree with his comparison with German industry. Suffice it to say that, in any recession, training is the first casualty. I understand that, especially in small businesses employing fewer than 200 people, the struggle to keep the business alive—it certainly is a struggle under this Government—often leads to dispensing with training. It may seem to be necessary as a short-term measure, but it is not prudent in the longer term.

A vital element in any recovery is confidence. The Government do not help to create confidence by saying that they will abolish the state earnings-related pension scheme because it will not be affordable in the future. The only conclusion that can be drawn from that is that the Government are not confident that Britain will have the sustained recovery that would make such a pension scheme affordable.

We are entitled to ask why there is such a shortage of skills. Between 1980 and 1984, 170,000 craftsmen were lost to the engineering industry and several thousand apprentices were made redundant. But skilled workers can turn their hands to other jobs. As my hon. Friend the Member for Newcastle-under-Lyme (Mr. Golding) said, people may be reluctant to return to an industry when it is held in such low esteem by a Government who believe that we can earn our living by taking in each other's washing. Our competitors realise that a strong manufacturing base is essential for a thriving economy, and, therefore, Germany trains twice as many technicians as we do.

Without wishing to detract from the initiatives which the Minister mentioned, it is still true that, on 26 April, the CBI announced that one in 10 firms expects its output to be held back by a shortage of skilled labour during the next quarter, and that this was expected to remain the same during the next year. Some firms expected the position to become worse.

Unfortunately, industry, with some honourable exceptions, has never given training and retraining the priority that they deserve. That applies especially to firms employing fewer than 200 people, which rarely have training facilities. They expect to be able to lift skilled personnel off sky hooks when they need them, and to replace them on the hooks when they do not need them. They expect to be able to poach enough people to meet their needs. Firms must substantially alter their attitude to training and regard it as an essential cost if they are to remain in business over a period, because a major stumbling block to better performance by British industry is technical expertise and training. I accept that apprenticeships must change with the times, but now we have only 8,000 engineering apprentices compared with 25,000 only recently. If anyone imagines that those 8,000 apprentices will meet our future needs, he had better think again. That number will go nowhere near to meeting the needs of industry.

As to the introduction of a two-year YTS, given the will by Government and industry, it should be possible to identify and tailor schemes to the needs of industry. That should be possible, but I am discouraged about the appreciation of the need, because on the same day as the CBI made the announcement to which I referred, the west midlands CBI said in a covering letter that it had done no more work on the identification of skills shortages than had been done at national level. Had that organisation been seized of the need, it would have examined the matter much more deeply.

Those tailored schemes would be aimed at specific needs. I believe that industry would be prepared to contribute towards the cost, and it could even go some way to eliminating the criticism that YTS is a cheap labour scheme by providing real jobs at the end of the training. Such a scheme would need greater commitment, but if translated into reality the problem would be to accommodate all those who wished to take up the training.

6.38 pm

Mr. Alan Howarth (Stratford-on-Avon): The motion tabled by the Labour party is a combination of reaction and party political propaganda of the most depressing sort. The Opposition hark backwards to a pattern of training that was inadequate and which the Labour Government did nothing to improve. The principal features of the Labour Government's policy for the provision of skills were the abolition of grammar schools and the invention of the youth opportunities programme. That response was derisorily inadequate, if not actively destructive.

The speech of the hon. Member for Huddersfield (Mr. Sheerman) betrayed his resentment of the Government's approach, which has been thoughtful, constructive and

[Mr. Alan Howarth]

determined, and through which a great deal has already been achieved. The Government have produced a succession of documents, including the "New Training Initiative" and responses to consultation, "Training for Jobs", "Education and Training for Young People" and, on the education side, "Better Schools" and "The Development of Higher Education." Those documents have defined the issues, led the debate and helped us to establish a national recognition of our modern needs.

Those needs are a foundation of basic education in which every pupil has the opportunity to acquire intellectual, practical and social skills, as well as the confidence and discipline to enable him to cope with and adapt to the modern world of work. That foundation must be built upon with a period of occupational training which will provide the bridge from education to a job. Thereafter, every worker must have the opportunity of periodic retraining so that he will have the security and dignity of knowing that he will be needed and can continue to contribute.

Central Government have increased their spending allocation to training by four times in the last five years. We are moving away from a situation in which 16-year-olds are cast, vulnerable and often ill prepared, on the job market, 40 per cent. of them with no formal qualification and a high proportion of them having been for years demotivated at school and personally pessimistic about their future. We are moving to a situation in which every school leaver will have the opportunity to undertake a considered programme of work experience and structured training leading to qualifications, so that at 18 youngsters will be able to take their place in the job market, properly equipped and prepared.

What is really happening in relation to skill shortages? Certainly the skill shortages are not such as to abort the present recovery. The CBI survey in April found, however, that one in 10 companies expected skill shortages that would inhibit their future progress. It is interesting that within the severe shortages were shown shortages of skilled textile workers. The traumatic experience of the textile industry in recent years has shown that there is no absolute shortage of skilled textile workers.

Policies to meet skills needs must take account of three aspects of the labour market — mobility, cost and training.

We must help put the right people in the right places. My hon. Friend the Member for Slough (Mr. Watts) spoke shrewdly on the subject. I will only add to what he said by pointing out that it is important to pursue policies to improve the provision of private rented accommodation, so that people who choose to move from Sunderland to High Wycombe, for example, can find somewhere to live.

If there are shortages in skills and a tradition of under-investment, it is partly because of excessive costs. In that, the trade unions have, unfortunately, played a damaging part. They have sometimes made it impossibly expensive to provide the necessary training. They have insisted on time serving when increasingly we need to achieve competitive standards and to adapt rapidly. The unions insisted upon demarcation when there was an increasing premium on adaptability and the transferability of skills. Above all, trade unions have forced up the pay of young workers. The whole labour movement remains doggedly intransigent on that. In the interests of young people, it is realistic to recognise that in the early years of their work experience they should be trainees rather than employees. As a result of training, they will be able eventually to make their full contribution and earn adult levels of pay.

When considering the educational content of training we must continue to address ourselves to the problem of the cultural gap which has long been established between education and industry. Much is now being done to build bridges. The Government are making grants to improve local liaison. The CBI has its Understanding Industry initiative. That is helpful, but I should like the in-service training of teachers to offer more opportunities for teachers to be seconded so that they can enjoy first-hand industrial experience. Then they would no longer convey to pupils the idea that a career in industry or commerce is second best. Equivalently, I should like industry to be more active in contributing to the development of the curriculum.

We chose to destroy our technical schools in the 1970s. It is an interesting and sad irony that over the same period the Germans have moved to a position in which 50 per cent. of their schoolchildren now attend technical schools —the Realschulen. Research under the auspices of the NIESR has found that average levels of mathematical attainment by German school leavers are two years ahead of ours.

Much has to be done. There is no doubt that the Government's initiatives in the reform of the curriculum and the examination system — for example, the introduction of the GCSE, with its emphasis on practical competence and problem solving—will help, as will the TVEI.

However, we cannot afford certain self-indulgent professional, political and bureaucratic attitudes. We cannot afford the NUT to block the reform of teachers' career structures. Local education authorities, including some which were Conservative-controlled, went into sulks because the Government insisted that the MSC should spend some of the money which they were accustomed to spending. Some Left-wing Labour-controlled authorities are spurning TVEI on the bogus principle that it erodes their proper sphere of influence.

Industry can make a much larger commitment to training for the future. The lessons which are so well expressed in the MSC document "Competence and Competition" will not be ignored. The best of British companies recognise the need for a policy of investment in the use of human resources from the top down. It is people who cause a company to succeed or to fail.

I am confident that industry will respond to make an even greater success of the youth training scheme which has already had a remarkable effect in only two years. We must build on the successes and recognise that YTS is not a palliative for unemployment but a key part of a policy to build suitable training bridges between school and the entry to employment at 18-plus on a properly trained and qualified basis.

Unions and industry should respond to the Government's challenge of a second-year YTS. There will be difficulties. Many firms have as many YTS trainees as they can handle. Some industries, including parts of engineering, are in a fragile financial position. Training costs are higher in some industries than in others. Many new participant firms will be needed and much has to be

sorted out before April 1986. However, industry will benefit from a better trained, better motivated, better skilled and more flexible work force.

The Government deserve to be congratulated on their policies to meet Britain's skill needs.

6.46 pm

Mr. Geoffrey Robinson (Coventry, North-West): The House is at least agreed about the appropriateness of the timing of today's debate. However, the Minister's speech betrayed an awful complacency and a dangerous ignorance of the extent and gravity of the problem. He was blasé. Perhaps he is bored with the subject.

I sympathise with the Minister because the problems with which he has to grapple daily are not easy. However, the problems will not go away. Nothing that he has said today will make it easier for him or his Department to deal with the problems of British industry or of British youngsters who are in urgent need of skill training to meet the country's needs.

This has been a good debate, but we expect something better from the Under-Secretary of State than a recital of the odds and ends about which he will be anxious to tell us. We want him to respond to the heart of the debate and to tell us how the Government intend to reverse the downward spiral. I accept that he will not have long to do that.

I must comment on four outstanding speeches from the Opposition Back Benches. I refer to the speeches by my hon. Friend the Member for Newham, North-East (Mr. Leighton), who spoke with the full authority of a Chairman of a Select Committee; my hon. Friend the Member for Newcastle-under-Lyme (Mr. Golding); my very close friend the hon. Member for Coventry, North-East (Mr. Park), who spoke with detailed knowledge of the midlands; and my hon. Friend the Member for Wallsend (Mr. Garrett), who spoke with a depth of experience derived from a lifetime in industry.

Opposition Members have our different perspectives and emphases, but we are agreed about the extent and gravity of the problem. A wealth of reports has been issued in the past two years. It seems that everyone but the Minister and his Department are seized of the difficulties and dangers. The document "Competence and Competition" from the NEDC and the MSC — [*Interruption.*] It is here. It has obviously not been read by the Minister. All that he has done is read the title, but I have read the report. That is why he could not today talk with any meaning about that important report. If the Minister had read the report, he would not have talked so much rubbish about going round factories in the west midlands, without understanding that, behind the automated assembly lines, there is a need for technicians, apprentices and skills. The Minister does not understand. If he cannot see people or apprentices, he does not think that we need skills or apprenticeships. Of course we do, and we need them in the same numbers as we had previously. We are not even replacing those who are leaving because our factories are declining. Skilled fitters and skilled electricians are doing other jobs in the economy and no longer fulfilling their proper roles.

There have been many reports on the matter, including one from the House of Lords. There can be no doubt about the serious danger that we face. My hon. Friend the Member for Huddersfield (Mr. Sheerman) quoted the figure for the amount spent by British industry on training —figures provided by the MSC — as being 0·15 per cent. compared with what the MSC believes should be 2 per cent. of turnover. I do not want to quibble about the figures; I wish only to bring home to the Minister, the Under-Secretary and Conservative Members the extent of the gravity of the position. There is no room for complacency. Britain is going backwards while other countries are racing forward. That is something that the Minister does not want to grasp.

In a moment, I shall put forward policies that the Government should adopt—[*Interruption.*] I could take a great deal longer with my speech, but the Under-Secretary would not like his hon. Friends to encourage me to do so. If the Minister does not believe what I am saying, let him read the news release from the CBI. After all, Sir Terence Beckett is a great supporter of the Conservative party. It states:

"A breakdown of the skill shortages now being faced by British manufacturing industry shows that they cover many types of jobs ranging from welders"—

[*Interruption.*] Of course robots are on line doing blind spot welding—it is the first generation of robotics. But there is a great deal more to manufacturing than robots on a car assembly line. The report continues:

"and sewing machinists, to technicians and computer programmers . . . they cover a wide range of jobs and are not confined purely to information technology."

I shall not read on because time does not permit me to do so.

What has been the Government's response? I can pick out four points, having listened to the debate. First, they have reduced the skillcentres by one third, and it has cost them £12 million to do so even though there was opposition from their own supporters. Secondly, the Government have abolished 16 training boards because they were not perfect and, supposedly, were not doing their job. Has the private sector been doing its job? Of course not. If we are to give the private sector a lead, if we are to encourage it and bring it with us, we must establish something to achieve that. Of course the boards were not perfect, but the answer was not to close them; it was to make them better.

Thirdly, the Government have blamed the unions. We hear that time after time, ad nauseam. Yet the Policy Studies Institute said about Britain's non-problem, the unions:

"In Britain opposition to the introduction of the new technology from the shopfloor or the trade unions is seen as an obstacle to its adoption far less frequently than economic, technical or skills problems."

If only the Minister and his hon. Friends understood that. It continued:

"half as many"

are experiencing problems because of the unions

"than in Germany . . . or France."

I shall let the Minister see that report.

Fourthly, the Government have said, "Let us leave it to the companies; voluntarism will work." Cannot the Minister understand that it was because voluntarism was not working in the 1960s that we embarked on industrial training boards? Cannot the Minister see the crisis of the growing shortage of skills across the whole range of industrial requirements? It means that voluntarism is not working.

If the Minister does not like what the Labour party is saying, let him read the report of the House of Lords Select Committee on Science and Technology entitled "Education and Training for New Technologies." What is

[Mr. Geoffrey Robinson]

wrong with the four or five important recommendations that it contains? We have not heard a word about that from him. Perhaps the Under-Secretary, when he replies, will say that he will implement those recommendations because he is responsible for training for industry.

I do not want to get into the debate about whether training should be for training's sake — although I happen to believe that. I believe that we will get the training that we need only when we stop allowing our industrial base to decline. It is only when the jobs are available that there will be training geared for them. The expansion of the economy and of the skill training programme are the twin pillars on which we must base our policy to meet the requirements that those will bring with them.

6.54 pm

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. John Butcher): In the six minutes left to me, I wish first to thank my hon. Friends the Members for Bedfordshire, South-West (Mr. Madel), for Slough (Mr. Watts), for Langbaurgh (Mr. Holt), for Banbury (Mr. Baldry) and for Stratford-on-Avon (Mr. Howarth) for their contributions. I also acknowledge the contribution of the hon. Member for Truro (Mr. Penhaligon), who got things totally wrong when defining the industries for which we should train and those for which we should not.

I thank the hon. Member for Newham, North-East (Mr. Leighton) for his sometimes elegant and sometimes inelegant swipe at the YTS. I also thank the hon. Member for Newcastle-under-Lyne (Mr. Golding), whose filibuster I have heard eight or nine times before, and which was inevitably targeted on British Telecom—a success story that he would rather not begin to recognise.

I wish to address my brief remarks to those parts of the motion that state that the Opposition

"condemns the Government's failure to make proper provision for improving the extent and standard of modern skills training that is essential for Britain's economic recovery and industrial growth."

It then admonishes the Government for

"its failure to provide quality training for the new technologies"

and goes on to recommend a comprehensive statutory framework.

I can leave to one side the micros-in-schools programme. There is not time to discuss that today, other than to say that it has been a magnificent success, producing the first computer-literate generation of school leavers. There is no time to discuss the information technology centres—all 175 of them. There has been a great deal of argument tonight about placement rates from the various programmes, but we are talking about 75 per cent. — plus placements in jobs from the information technology centres.

Saddest of all, there is not time to discuss a certain document. There has been some to-ing and fro-ing about who has read what and who has bothered to do his homework. I am convinced that Opposition Members have not read the script for tonight's debate — it is called "The Human Factor—The Supply Side Problem". Not only has my hon. Friend read it; he helped to write it. There were contributions from the MSC and, most important of all, contributions from people in industry who actually hire graduates in the new technologies — the graduates on whom we depend for our future economic well-being.

We must address ourselves to another problem—one that the hon. Member for Huddersfield (Mr. Sheerman) failed to diagnose accurately. He fell into the old mistake of talking about a dual labour market and high tech versus low tech. There is no such thing as a clear distinction between high tech and low tech. The so-called low tech industries, by becoming involved in new production processes and by applying intellect and added value to their manufacturing processes, in fact become sunrise industries; they become the users of information technology.

I listened carefully to what the hon., Member for Huddersfield said. He spoke about a coherent and comprehensive approach. He then spoke about a modular integrated approach—part of the overall understanding of life and work. He then went on to talk—a little more ominously — about a comprehensive statutory framework, then about a comprehensive contributory fund and then about training committees with trade union involvement. The hon. Gentleman wrote his speech on the basis that he might obtain a good mention for terminology in the editorials of *The Guardian*; it was not a speech suitable for tonight's very serious debate.

The missing element in the assertions of the hon. Member for Huddersfield was the costing of the proposals contained in "Plan for Training". On the Labour party's own figures, the centralised, bureaucratic, modular, comprehensive and integrated—call it what one will—approach would cost £6 billion. The statutory minimum wage to which his party is committed would cost another £200 million. The cost of full trade union rates of pay for YTS trainees would cost £260 million — and the hon. Gentleman tells us that we do not understand the market forces behind training. The Government realise that the pace of change, the flexibility that is required and the fluidity that is necessary in our labour markets and training markets——

It being Seven o'clock, and there being private business set down by direction of THE CHAIRMAN OF WAYS AND MEANS, *under Standing Order No. 7 (Time for taking Private Business), further proceeding stood postponed.*

Birmingham City Council Bill
(By Order)

Order for consideration, as amended, read.

Motion made, and Question proposed, That the Bill, as amended, be now considered.—*[Mr. Garel Jones.]*

7.1 pm

Ms. Clare Short (Birmingham, Ladywood): I am grateful to be called to speak on the Bill, particularly as I was not called until 9.53 pm on Second Reading and then the closure was moved. I was unable to put before the House my views on the Bill, despite the fact that the proposed race will take place largely within my constituency.

I deeply resent some of the comment that has appeared in the local press in Birmingham, especially in a free newspaper that I have never seen called the *Birmingham Despatch*. That newspaper suggests that the Birmingham Members of Parliament who have ensured that the Bill is properly debated in the House are in some way obstructing its passage. The implication is that the House should not use its powers to scrutinise any legislation that is put before it.

As I said at the beginning of my speech on Second Reading, which was so rudely interrupted, I hesitate to speak against or oppose a Bill which is supported by the overwhelming majority of councillors in Birmingham. My view is that local democracy should be much greater than it is at present and that the ultra vires rule should be abolished. Local authorities should be given the power to do whatever they think right and for which they have authority from the local people, provided that they can afford so to act and are given reasonable powers to raise moneys to finance such expenditure. That is not the current situation. Local authorities are severely restricted in what they can do, and they must seek parliamentary authority to go beyond those powers. It seems that those of us who are elected to represent the interests of our constituents should properly scrutinise any measures that come before us. When we have a measure that will affect the people of Birmingham, it is particularly important that Birmingham Members should pay attention to what is being proposed — *[Interruption.]* Would the hon. Member for Birmingham, Selly Oak (Mr. Beaumont-Dark) please be quiet?

The second reason why I hesitate to criticise the Bill is that we have repeatedly been told that a referendum, which was taken in the area where the road race is to be run, suggested that local residents were overwhelmingly in favour of the proposal. I find that rather odd, because I have received a number of extremely critical letters and met many people who live in the area who are highly critical of the proposals in the Bill.

We are told that referendum forms were sent to 4,520 residents and that about 34 per cent. voted. Apparently 1,290 voted yes and 283 voted no. Perhaps that is a significant majority in favour of the Bill, but it means that many people did not consider the proposal. When one considers the information that was put to those who participated in the referendum, it is clear that they were not fully informed of the facts, especially the potential cost —*[Interruption.]* Mr. Deputy Speaker, I appeal to you to do something about the racket that is taking place on the Government Benches below the Gangway?

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): We are listening to your every word, girl.

Mr. Deputy Speaker (Mr. Ernest Armstrong): I can hear clearly what the hon. Lady is saying.

Ms. Clare Short: I am grateful to all the attentive listeners.

When those who live in the area where the race is proposed to be run were asked to participate in the referendum, a piece of paper was circulated outlining the proposals. That piece of paper was misleading in a number of serious respects. First, it was misleading to suggest that the race would become a grand prix. There is a general understanding in Birmingham that the race will be a grand prix, but that is completely wrong, and that somewhat changes the nature of the proposal.

Secondly, and more seriously, the people of Birmingham who said that they were in favour of such a race were not told the potential costs that would be incurred and might result in other less than adequate services. The council, in its publicity about the race, has misled people by not stressing that the potential cost is quite serious.

A leaflet, entitled "Road Race Facts," gives six facts, the last of which asserts that Birmingham ratepayers will not be paying for the race. It states:

"The cost to Birmingham ratepayers will be absolutely nothing. Indeed, they will benefit as more much needed cash will be brought into the authority's kitty."

That is false and misleading, and it is bad that the council should put out such material.

In a glossy package, which was assembled and distributed in Birmingham, there is a leaflet on the jobs that the road race would create. It says

"The race will make money for the City Council so the ratepayers will not lose out. We will not be taking decisions on whether to repair leaking roofs or to support the race. The road race will bring more cash into the authority's kitty."

The literature that has been issued by the council to the people of Birmingham is gravely misleading. Many people who consider the road race to be desirable are not aware of all the facts.

As I have said, many people in Birmingham think that a grand prix is proposed. One of my hon. Friends who was a member of the Committee which considered the Bill has passed to me a copy of the summary that was put before the members of the Committee. The first paragraph reads:

"The purpose of the Bill is to authorise a motor racing event once a year in Birmingham, not far from the centre. The event is based on the Monaco Grand Prix."

Again, it is suggested that there will be a grand prix in Birmingham, but that is not so. It will be a much lower level race with less status, and it will bring fewer people into the city. That has serious implications for the money that might come into the city as a result of the road race. The people of Birmingham have been misled on this crucial issue.

My first objection to the Bill, as drafted, is the cost. We are told by the council, though the people of Birmingham have not had this information put to them, that the proposal is to spend £1·5 million on capital expenditure in the early stages to prepare the road for the race. Serious alterations to the road are to take place—widening and the removal of flower beds and other amenities in the area. In addition, it will cost £1·5 million in revenue costs for each year that the road race is run. The council's estimated figures show that it is fairly certain that at worst the road race will cover

[Ms. Clare Short]

its own costs. There may not be any profit for the people of Birmingham, despite what is said in the leaflets to which I have referred, but the council is fairly confident that there will not be any loss.

I shall seek to move amendments designed to ensure that there will not be a loss. I am worried that the council is giving assurances about the money that it will spend and the income it will receive, but the Bill will not protect the people of Birmingham from much greater expenditure and much smaller income than is projected. My deepest fear and greatest objection to the Bill is that the people of Birmingham could spend millions of pounds, which could be used to improve housing facilities, which are in a serious state of decline, or to protect other declining public services. All this money will be spent on a race which will be a loss maker for the people of Birmingham, most of whom will not be able to attend it because of the cost of the tickets.

Mr. Nicholas Soames (Crawley): Does the hon. Lady agree that she is speaking of the type of infrastructure spending that she and her hon. Friends spend much time complaining is not taking place in Birmingham?

Ms. Short: No, it is not the type of infrastructure spending that I favour. I do not favour turning the hearts of our cities into race tracks. I favour an increase in infrastructure spending to improve the facilities for all the people of our cities— for example, putting right decaying sewers.

I shall be moving amendments designed to hold the council to its financial projections. The council has given the sums of money that will be spent, but there is no guarantee that it will keep to those figures. Later in the debate we can discuss the need to hold the council to its projections so that Birmingham ratepayers are not required to spend even more.

The money that the council proposes to spend will, of course, come from the capital expenditure budgets of the people of Birmingham, who are already severely restricted financially. It is notable that the area around which the race will be run contains many tower blocks and maisonettes that are in a serious state of disrepair. Each month, when I conduct my advice bureau in that part of the city, people complain about the state of the tower blocks, with damp, condensation, mould and a general lack of repair. Caretakers lose their jobs or leave and are not replaced. There is a general air of decline and grottiness about those dwellings.

When we ask the city for more expenditure to enable people to live in dignified housing in the area where it is proposed to hold the race, we are told that, because the Government have restricted the money available for Birmingham to spend, there is no additional finance available. It seems ironic that Birmingham can find money to promote a road race, but not to repair the homes of those who live in the area surrounding the race route.

Many Birmingham people are under the illusion that the road race will be great fun, with free entertainment for anyone wishing to attend. Indeed, in an experiment to see whether the event would be popular, the city of Birmingham ran a "fun day" and invited people to come free on that day. I have received letters from people telling me not to be a spoilsport and that people would love a free day out.

It will not be free. The tickets will range from £5 to £25 a head for each of the two days of the race. Most Birmingham families cannot afford such expenditure. Indeed, among the 300,000 people who live in the six inner Birmingham constituencies, the rate of unemployment is 30 per cent. The unemployed of Birmingham will not be able to afford the cost of tickets for the road race. I shall be moving an amendment later to require the council to charge the residents of Birmingham half price. Anyone who argues that this will be a fun event for the people of Birmingham should be prepared to accept such an amendment.

Another reason why I have doubts about the proposal arises from a briefing document that was circulated by the RAC prior to Second Reading. The RAC made it clear that it had grave doubts about the Bill. It did not think that road racing was desirable in Birmingham. In paragraph 8 of its briefing document, it stated:

"The RAC Motor Sports Association has declared its policy that motor racing should be on purpose-built circuits where there has been substantial investment of resources to ensure that adequate facilities will be available—and where there will be maximum practicable safety for competitors and for spectators. Such circuits also permit training, testing and practising at all times and safety provisions are continually being improved."

That sentiment makes sense. We were told in Committee that objections to the idea had been withdrawn. When I telephoned the RAC today and spoke to Mr. Jack Smeaton, one of those under whose name the briefing document was circulated, he made it clear that the RAC's view had not changed, that it still had grave doubts about the proposal, that it was opposed in principle to road racing and that, for reasons of safety and efficiency, it should be confined to circuits. However, given the size of the vote on Second Reading, the RAC says that it is keeping its head down, that it will comply with the will of Parliament and continue to look in detail at the proposal. It is not clear, therefore, that at the end of the day the RAC will approve the race.

We could have an even worse scenario, with Birmingham spending a considerable amount on changing the roads and preparing for the race, only to find that a proper, high quality race has not been approved and that the money has been wasted. In considering the vision that inspired the road race proposal, we must note that Birmingham is in deep and dangerous economic trouble.

Mr. Beaumont-Dark: It will be in even deeper trouble if the hon. Lady stays much longer.

Ms. Short: The rate of unemployment in inner Birmingham is 30 per cent. Over the city as a whole, the rate is 30 per cent. Birmingham encapsulates the major problems of the British economy.

Mr. Beaumont-Dark *rose*—

Ms. Short: I shall not give way in view of the silly comments that the hon. Gentleman has been making.

Mr. Peter Snape (West Bromwich, East): My hon. Friend should perhaps reflect, when referring to silly comments made by the hon. Member for Birmingham, Selly Oak (Mr. Beaumont-Dark), that that hon. Gentleman is normally paid by a Birmingham newspaper, which makes me lean to her side of the fence rather than to his.

Ms. Short: While I do not always agree with the hon. Member for Selly Oak, he usually behaves in a courteous fashion. He has not been behaving that way today. That is why I shall not give way to him.

I have explained why I have serious objections to the Bill. The people of Birmingham have been misled into thinking that the race will be a grand prix, when it will not, because of the cost involved, and the likelihood is that it will not prove profitable. The tickets will be so expensive that most Birmingham people will not be able to afford to attend.

If the Bill is amended in the ways in which I am seeking, I shall not oppose it, but it will not be with enthusiasm that I shall support it. The leadership of Birmingham city council seems to be adducing an argument similar to that put forward by the Government in trying to solve the problems of the British economy, with an apparent willingness to write off manufacturing and to look to services as a major source of income and employment.

In the Soho ward of my constituency, unemployment has reached 40 per cent. Matthew Bolton and James Watt developed the steam engine there, and that concept led to the industrial revolution.

Mr. Beaumont-Dark: I am pleased that my behaviour has improved sufficiently for the hon. Lady to permit me to intervene. Does she agree that if, as she says, the problems of Birmingham are great and that much needs to be done, it is time to encourage the sort of enterprise that the Bill proposes? The motor industry is important to Birmingham. The publicity that would come from the race — which I believe would be profitable — would focus attention on the way in which we were taking steps to solve our problems. It is a time for enterprise and a little risk. Why is she against that?

Ms. Short: I agree that the hon. Gentleman's behaviour has improved. I do not agree that a low level road race with saloon cars, held for one day, will do anything to restore Birmingham's manufacturing base. Birmingham's manufacturing, like manufacturing throughout the country, needs major new investment so that it can be modernised to use new technology.

The hon. Gentleman will know that the output of manufacturing in Britain is still lower that it was in 1979. I agree that, with intervention from central Government and local government to restructure manufacturing, it is highly likely that the number of people employed in manufacturing would decline compared with 1979, but the number would decline in a context of highly profitable industry, with people in employment, and with money available to be spent on public services and leisure amenities in which all could participate. That is the desirable way forward for Birmingham — not spending money on gimmicks such as road racing and convention centres which seek to bring in rich foreigners who might spend a little money in our city and create a few jobs in catering, or in the sales of ice cream and beer. I repeat that investment in modern high technology manufacturing is the way forward for Birmingham, not in convention centres and road races.

Mr. David Ashby (Leicestershire, North-West): Does the hon. Lady agree that if there is a desire to show off the motor manufacturing wares of Birmingham, there are two race tracks close by which could be utilised — Silverstone and Donington? They would be happy to lend their race tracks to the city of Birmingham to enable Birmingham to display its wares in safety to the world at large.

Ms. Short: That is an attractive offer. I am sure that people in Birmingham will take note of it and perhaps come back to the hon. Gentleman for further information.

I have grave reservations about the Bill, and I cannot support it as presently drafted. If the amendments are made, I shall not oppose the Bill, but it should not be thought by anyone in Birmingham that Birmingham's economy will be put right by events such as this or that they can provide dignified work and proper leisure and public services.

7.23 pm

The Minister of State, Department of Transport (Mrs. Lynda Chalker): It may be helpful if I intervene early to re-state the Government's view on the Bill.

As the House knows, the Government traditionally stand neutral in relation to private Bills where no major matter of principle is involved. This Bill is no exception. We regard it as primarily a local matter. Listening to the hon. Member for Birmingham, Ladywood (Ms. Short), one realised the extent to which it is a local matter. We are not opposed in any way to the principle of the Bill as it stands. It will be up to Birmingham city council to make its decisions on priorities, and I am sure that during the debate we shall hear the varying views on those priorities.

The Government considered whether the concept of a city centre motor race constituted a precedent with adverse effects on national sporting interests. Hon. Members may remember that that was one of the issues raised on Second Reading. We sought assurances from the promoters of the Bill as to the construction of the circuit, the number of days per year on which racing could be permitted, and the type of racing allowed. The provisions of the Bill are very restricted; racing will take place on only one day a year. The circuit is essentially city streets marginally modified, and there will be no grand prix type racing. That is absolutely clear.

The Royal Automobile Club, the body for controlling motor sport in Britain, indicated to me that it was opposed to the Bill at the beginning. I listened carefully to its concerns, but I concluded that there was not sufficient cause to seek to influence the passage of the Bill. There was a majority in favour of the Bill on Second Reading, following which the chairman of the RAC wrote to me to say that the RAC accepted that the principle of the Bill had been approved by this House and that it intended to make no further representations on the issue.

I understand that the RAC is now discussing the organisation of any future race in accordance with its own rules, and the detailed track requirements, with Birmingham city council. That is the very spirit of co-operation that I urged on Second Reading, and I applaud the fact that at last the RAC and Birmingham city council are working together in co-operation. That will, I believe, enable Birmingham to have its motor race, and enable the RAC to ensure that the race meets its own stringent requirements — a matter about which other hon. Members and I have expressed concern.

The Government also have a duty to oversee other general matters of national concern which are relevant to the Bill.

Mr. Ashby: Does my hon. Friend realise that the RAC is still against the principle of the road race? On the other hand, if Parliament approves the road race, the RAC is bound, as the governing body of the sport, to ensure that

[Mr. Ashby]

the race takes place according to its rules and in the safest possible manner, so of course it will co-operate and talk to Birmingham city council and do what it can. But the RAC still remains opposed to the principle of the motor race.

Mrs. Chalker: In the discussions that we had before the Second Reading debate I took care to find out exactly what was being said by the RAC and, indeed, by Birmingham city council.

On 17 April last, I received a letter from the chairman of the standing joint committee of the RAC, the Automobile Association and the Royal Scottish Automobile Club which expresses their views. The letter says:

"Certain specific matters which were causing concern have now been the subject of acceptable assurances from the City council, but the Bill remains of interest to the Standing Joint Committee because, if enacted, it will establish a precedent for similar measures elsewhere.

The Standing Joint Committee invites you"—

the letter refers to me—

"to consider that it would be undesirable if this were relied upon before there had been time for a valid judgment of the effectiveness of the assurances which have been given relating to matters of safety, reasonable access and minimal interference with road users in general".

The point is that, of course, people are bound by a vote in this House, but I am glad that Birmingham city council and the RAC, as the leading partner in the standing joint committee, have got together to discuss the matter, and it is right that they should do so.

I want also to comment on other general matters of concern, such as the effects on strategic traffic flows, safety, access, noise and pollution. They are all matters which have worried hon. Members and about which they have rightly expressed concern. The Bill contains clauses relevant to all those matters. Officials of my Department and those of the Department of the Environment and the Home Office have discussed the Bill in detail with the promoters, and several amendments have been incorporated to satisfy our reservations which existed at the earlier stage.

In our view, it would also be unreasonable for the net expense, if there were any, of this local initiative to be met from public funds. Therefore, we sought details from Birmingham city council on the anticipated income and expenditure associated with the race. We have told the council clearly that we expect the project to be self-financing, and have accepted that the estimates provided to us by the Birmingham city council demonstrate that that is indeed feasible. Those matters are important and I have seen it as our duty to ensure that they have been fully considered, and the best possible arrangements made. We are, however, content that the promoters of the Bill, my hon. Friend the Member for Birmingham, Hall Green (Sir R. Eyre), my hon. Friends and some Opposition Members, have worked hard to make sure that they know what is required of them. I am content that the promoters are well aware of their responsibilities, as one would expect from a city with such a civic reputation as Birmingham. I said on Second Reading that this is an exciting prospect and that the Bill is undoubtedly an unusual and adventurous initiative. That is not unusual. We have come to expect exciting, unusual and adventurous initiatives from Birmingham. There are no reasons for frustrating the city's attempts to promote itself.

Mr. Jeff Rooker (Birmingham, Perry Barr): If the Government have such a high regard for the city of Birmingham, why are they financially penalising the city so much that we have been forced to raise rates through the roof?

Mrs. Chalker *rose*——

Mr. Deputy Speaker: Order. If the hon. Lady answers that, we shall be getting away from the Bill.

Mrs. Chalker: I am quite ready to answer that point, but I abide by your ruling, Mr. Deputy Speaker. I shall leave it to another day to respond to the hon. Member for Birmingham, Perry Barr (Mr. Rooker), who, unfortunately, has recently been associated with a sludge works —*[Interruption]*. He is not really associated with sludge works.

The Bill was given a substantial majority in this House on Second Reading, when my hon. Friend the Member for Hall Green made a lucid and open speech. I see no reason for impeding the progress of the Bill. Therefore, I recommend that it be allowed to proceed.

7.31 pm

Sir Reginald Eyre (Birmingham, Hall Green): I am most grateful to my hon. Friend the Minister for her positive attitude. I assure her that the city of Birmingham will take full account of and comply with the requirements that she has specified relating to safety, environmental considerations and other such matters.

I apologise to the hon. Member for Birmingham, Ladywood (Ms. Short) for missing the opening sentences of her speech. She raised a number of important points to which I would like to refer.

We had an opportunity to record the main purposes of the Bill on Second Reading on 1 April. It establishes a framework for the creation, in Birmingham, once a year, of a major international tourist attraction for the city and the midlands—a motor race of formula cars through the streets and a parade of historic cars and other attractive events suitable for family entertainment.

The city council believes — these matters were earnestly considered by members of the city council, as the hon. Member for Ladywood knows — that this event would help to promote Bimingham as a motor city. It would encourage the many thousands in the city who are engaged in work connected with the motor industry. From a psychological point of view, it is important to provide that kind of encouragement. The city council has considered the matter very carefully.

Ms. Clare Short: There are two issues—whether it would be desirable to have this road race and whether it would be profitable. At a recent meeting with the leader of the council and some of my hon. Friends, one of the officials went so far as to argue that a road race to promote Birmingham as an international tourist centre would be desirable, whether or not it was profitable. I would be grateful for the hon. Gentleman's view on that.

Sir Reginald Eyre: I accept the importance of jobs and profitability. If the hon. Lady will permit me, I shall try to reply to what she said about those two major issues later.

A list of job creation effects was discussed on Second Reading. I invite the hon. Lady to read those speeches. Perhaps I might ask her to read mine——

Ms. Clare Short: I read it again today.

Sir Reginald Eyre: —because I said that I believe that the event will contribute to job creation in Birmingham.

The hon. Lady rightly said that we do not want to turn all our attention to service industries, but that we want a revival of manufacturing. I share her view. There is no doubt that the future of manufacturing is enormously important to Birmingham. I remind her, however, that the city's competitiveness has improved this year as a result of a revised regional policy. The regional office has received many applications for grants to further the development of manufacturing industry and other businesses. Moreover, the Government recently approved British Leyland's corporate plan. We were extremely pleased in Birmingham, because that was another contribution to our future as a manufacturing city.

I ask the hon. Lady to bear those factors in mind. I agree that it is important to create jobs in manufacturing and to modernise that section of industry. The promotion of the motor industry by this international tourist event would be a gain for people involved with the motor industry in the city.

The project enjoyed overwhelming all-party support in the city council. In November, 90 members voted for it, 13 voted against and there were only five abstentions. As the hon. Lady knows, the Bill received a Second Reading by 202 votes to 68. The city council and supporters of the project hope and believe that the project will cover the capital and revenue costs and generate income which will improve the city's revenue and therefore services.

It is difficult for the House to debate such an assumption for the future, but the city council took much advice and considered the proposition very carefully. It was extremely carefully costed. The basis of the calculation is that, if the council goes for the expenditure of £1·5 million, perhaps over two years, it is likely that the city will receive the benefit of a profit of £1 million—a 40 per cent. return on a business investment. That would be a good return for the city and benefit everyone in the long term. Those are the best estimates we have upon which to base our judgment. I have considered them and thought seriously about the matter and believe that there is a good chance of the city making that profit. I support the Bill because I do not think that the cost will fall on ratepayers.

Ms. Clare Short: Later, I shall move two amendments that seek to secure that the council stays within those economic projections. Will the hon. Gentleman be supporting the amendment?

Mr. Deputy Speaker: Order. We should not anticipate debates on the amendments.

Sir Reginald Eyre: I accept your guidance, Mr. Deputy Speaker. I believe that I shall be able to show a positive response to the main thrust of the hon. Lady's argument. I look forward to considering the amendments. The hon. Lady will also find that stage of the debate helpful.

The Bill was amended in Committee to take account of observations by Government Departments, statutory undertakers, the county council and petitioners. All five petitions were withdrawn before the Committee stage, so the Bill was unopposed. The city takes full responsibility and will take great care to observe the points of detail that the Minister has raised.

There has been a misunderstanding about the position of the RAC. At Second Reading, the RAC opposed the Bill and motor racing on a street circuit. Following the vote on Second Reading, the chairman of the general purposes committee in Birmingham, Councillor Mrs. Brown, wrote to the chairman of the RAC, Mr. J. Rose, and made it clear that the city wished to work with the RAC to pursue the promotion of motor sport in Birmingham. In reply to Mrs. Brown on 22 May, Mr. Rose said that, having had its view rejected on Second Reading, the RAC would discontinue further opposition to the principle of the Bill and would receive and deal with any application for motor racing subsequent to the passage of the Act in accordance with the published regulations governing motor sport. I accept that that is the duty and responsibility of the chairman of the RAC.

I am happy to say that Mr. Rose offered a meeting at officer level, which was accepted by the city on 6 June. The RAC was represented by its general secretary, the motoring sports chief executive and the race executive. They made helpful suggestions and provided information about the necessary competition and track licences. All those matters are being followed up. I hope that the hon. Member for Ladywood will feel that that reveals a better situation.

The hon. Lady mentioned road surfaces. The city is having further consultations with the RAC—I am glad to say that, following Second Reading, a friendly relationship has been maintained with the RAC—and I am informed that, in the opinion of the RAC, the road surface in Birmingham is satisfactory for racing, especially in the light of experience at Monaco, where racing has not accelerated wear on the surface.

Mr. Robin Corbett (Birmingham, Erdington): The hon. Gentleman is being too modest about the RAC opinion. Apparently, the RAC believes that the surface of the proposed track in Birmingham is already of a higher specification than that at Monaco.

Sir Reginald Eyre: The hon. Gentleman makes a helpful point, which I believe to be accurate.

It would be much in the interests of our business if we could proceed soon to deal with the new clause in the name of the hon. Member for Ladywood, and the amendments tabled by the hon. Members for Birmingham, Hodge Hill (Mr. Davis) and for Birmingham, Perry Barr (Mr. Rooker). I am anxious to be able to show a positive attitude towards the points that they wish to raise.

7.44 pm

Mr. Jeff Rooker (Birmingham, Perry Barr): Like the hon. Member for Birmingham, Hall Green (Sir R. Eyre), I wish to get on to the amendments as soon as possible, so I shall speak for only a few minutes. However, we must use this opportunity to discuss what is in the Bill following its Committee stage.

The hon. Member for Hall Green read out a list of people and organisations whose worries had been met, but he mentioned none of the anxieties expressed by myself and some of my hon. Friends when we discussed a number of instructions on Second Reading. I am still unhappy about the fact that the Bill contains no financial provisions. Not one sum of money is referred to.

[Mr. Jeff Rooker]

I mentioned in an intervention — it was a little underhanded, because I suspected that I was out of order when I was making it — that Birmingham faces a massive financial crises. No one can tell us that everything is financially and economically rosy in Birmingham.

On Second Reading, Conservative Members enthused over the municipal Socialism that the Bill represents, but since then the city council has announced a 43 per cent. rate increase and Conservative Members have subsequently spent their time slagging off the city council at every opportunity.

It is one thing to say that the rate increase is no fault of the city council or of the Government, but it is another to ask hon. Members to approve legislation that will result in an impost on Birmingham ratepayers — without mentioning the fact that Birmingham is in a financial crisis. I shall say more about that later, when I shall also repeat that I am still unhappy about the fact that no attempt has been made to secure the external financing which I believe could easily have been obtained.

Some ignorant comment has been made in Birmingham newspapers about my hon. Friends and myself. I take extreme exception to being classed as the sort of hooligan who caused a death at Birmingham city football ground —and merely because I seek to have every stage of the Bill debated. The hon. Member for Hall Green shakes his head, but the *Birmingham Despatch* said that my hon. Friends and I were like the hooligans at Birmingham city who caused the crowd trouble that led to the death of a football supporter. I take extreme exception to that, and I shall be most annoyed if Birmingham city council spends money advertising in the *Birmingham Despatch*. The paper made no attempt to speak to us about why we had to object to the Bill recently so that we could secure today's debate.

The proof of the pudding is in the eating. We understand that some of our amendments may be accepted. The hon. Member for Hall Green talked about accepting the thrust of our amendments. We want more than that. We want amendments accepted here, not in another place. There is every reason to believe that financial amendments should be inserted here, not in the House of Lords.

I am glad that clause 21, with its code of practice, was added in Committee. It is only a pity that it was not in the original Bill. Nevertheless, I applaud the Committee and the promoters for their action.

Until about 10 days ago, the promoters and their agents had made no attempt since 1 April to contact my hon. Friends or myself to discuss detailed matters that we were worried about. Therefore, they cannot complain that we tabled amendments to the Bill only recently. We did not know until a few days ago that the Bill would be debated today, and it is no good the promoters saying that they cannot amend the Bill here and that amendments will have to be made in the other place. They knew what we were worried about, and the result was new clause 21.

This will be the only opportunity that I shall have to ask the promotors about clause 22, which was not amended or discussed in great detail in Committee. I do not understand why the city council should not have to obtain the permission of the Director of Public Prosecutions to institute a prosecution. The powers of prosecution that are sought are different from those that are contained in the legislation.

I hope that some of the amendments that are to be debated tonight will be accepted. Their acceptance would improve the Bill. I share the concern of my hon. Friend the Member for Birmingham, Ladywood (Ms. Short). I am worried about the financial implications. If I can be satisfied about them, I shall not oppose the Bill, but we have not yet been convinced about the financial implications and they remain our greatest concern.

The amendments demonstrate that there are other worries. For example, a meeting is taking place now in Birmingham to decide whether or not to proceed with Birmingham's bid to stage the Olympics. I am not opposed to that bid. I have not been asked for my approval or disapproval. It is not a parliamentary matter. However, after the Olympics, Birmingham would be left with many physical assets.

Mr. Beaumont-Dark: They would be liabilities.

Mr. Rooker: The hon. Gentleman says that they would be liabilities. I believe that they would be assets. Those assets would be used by the citizens of Birmingham. Furthermore, many new jobs would be created in order to provide those assets.

We are dealing here not with assets but with a peripheral tourist attraction. This event would take place once a year. The hon. Member for Hall Green made it sound so good financially that I wondered why this event is not to take place every three months. If it is to be such a sure-fire winner and a real money spinner, why not stage the event twice or three times a year? Such an event could be staged at bank holidays.

There remain doubts about whether it would be viable. I need to be convinced that the event will be financially successful. More information needs to be made available. The capital restrictions were not accepted by all members of the council. It was not a unanimous decision. Therefore, it is unreasonable to expect hon. Members to come to a unanimous decision. If councillors are so certain that this will be a money spinner that they wish no capital restrictions to be written into the Bill, there ought perhaps to be an amendment requiring them to make a contribution if a loss should be made. However, we have not gone that far.

We do not wish to be unreasonable. Those hon. Members who seek to impose financial control over the exercise have made compromises. Those compromises take the place of many amendments that we would have moved had we not been prepared to compromise. Having made compromises, during the evening we shall expect firm evidence, in the form of acceptance of certain of these amendments, that the promotors are also willing to make compromises.

Mr. Snape: Does my hon. Friend accept that if the financial projections of Birmingham city council prove to be correct, the hon. Member for Birmingham, Hall Green (Sir R. Eyre) and his hon. Friends will be trooping through the Division Lobby to privatise the event within three years or so?

Mr. Rooker: That thought had not crossed my mind.

Mr. Beaumont-Dark: I thank the hon. Gentleman for his suggestion.

Mr. Rooker: The idea had clearly not crossed the mind of the hon. Member for Birmingham, Selly Oak (Mr. Beaumont-Dark) who has just thanked my hon. Friend the Member for West Bromwich, East (Mr. Snape) for giving him the idea.

If this project goes ahead, we wish it to be successful. Nobody wishes it to be a failure. However, it should be proceeded with only if there is sufficient evidence that it will be successful or if there is sufficient evidence that the private sector will be prepared to put its hand in its pocket to provide support. The private sector will benefit from it, as the hon. Member for Hall Green made clear on Second Reading.

7.55 pm

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): It is sad that this further bold venture from Birmingham has met with opposition — forgetting the interested parties representing other race tracks — from only three hon. Members with Birmingham constituencies. It is a pity that they all happen to be members of the Opposition, particularly as the city council — alas and alack Labour-controlled — is now in favour of the event. I do not doubt the motives of these hon. Members. It does not behove anybody in public life to doubt people's motives for opposing something and I know that the views of the three hon. Members are honourably held and have been honourably put forward.

However, as somebody who was involved in the local government life of the city of Birmingham for over 20 years, I have to say of some of the arguments of the hon. Member for Birmingham, Ladywood (Ms. Short) that I remember hearing them loud and clear from those of faint heart who thought that instead of money being spent on one project or another it should have been spent on the repair and maintenance of tower blocks, expenditure which is of course necessary, or upon schools, expenditure which is also necessary. I do not doubt the heart of the hon. Member for Ladywood because she cares for her constituents and for the city, as do we all.

When we debated all those years ago the spending of a much greater sum of money on the National Exhibition Centre, to which project two Governments gave valiant support, the sum of money involved was much larger. It amounted to £26 million, and eventually the project cost £42 million. Harry Whatton, Frank Price, Sir Frank Griffin and I said that we should probably end up in the tower if it all went wrong. However, Birmingham and all other cities have to take risks with their ratepayers' money. Of course they have to think carefully before they risk that money, so to risk £40 million was a tremendous gamble.

A good case could have been made out for spending that money upon the infrastructure, roads and old people's homes, but the result of the venture was a new airport, a new international station, a new road link and new hotels, restaurants and jobs. It has resulted in new hope and in a new vision of what the city of Birmingham is. That was what was involved when we took that great decision on the Sunday morning when the contract was signed. Had the risk we then took gone wrong, heads would have rolled.

As the hon. Member for Birmingham, Perry Barr (Mr. Rooker) rightly said, the reason for only modest representation from the political parties of Birmingham is that tonight they are considering another great venture, in which far larger sums of money are involved than was the case with the National Exhibition Centre. About £500 million will be involved if the Olympics are staged in Birmingham. Whether or not the Olympics come to Birmingham, and whether the city is controlled by a Conservative of Labour city council, the city moves best when it moves as a united team upon such ventures. I hope that if we can overcome the niggles we can move upon this venture. It may not be a great success, but I believe that Birmingham has a knack of making such things successful. The sum of money involved is small but it will attract business and people to Birmingham.

Rates have been mentioned but I do not wish to join in the controversy tonight about whether rates should have been increased. When we talk about the future of Birmingham we should not consider the problems of today but rather the direction we wish to see Birmingham take.

If one discounts rate rebates, those who pay rates will include business people large and small. They will pay for the future of our great city. It is correct to risk ratepayers' money to help people build a vision and create new hope for the city of Birmingham. It is not Government money, it is the people's money. That is why I am glad that the RAC, which I thought acted badly previously, though its motives may have been for the best, has relented and given us its support.

If one sets out on a venture one must believe that it will be successful; otherwise one would be wasting the time of the House and its servants on discussion. I believe that Birmingham is right. This is a good venture and once we have got over the niggles — the matter of half-price tickets for Birmingham citizens is not a crucial issue — and we can set at rest the genuine anxieties of hon. Members we can proceed with this or like ventures because, as the hon. Member for Birmingham, Ladywood said, Birmingham needs a lift.

My hon. Friend the Member for Birmingham, Hall Green (Sir R. Eyre) mentioned the BL plan which, last week, we all agreed was a huge uplift for the city of Birmingham and for the west midlands. We should not damage Birmingham's prospects by letting those who decide Birmingham's future think that we are disunited on this matter, the Olympics, or some future venture, as we were in the past on the NEC.

It is our city, and our future should be in our hands. If we can reach a united decision tonight, our bid for the Olympics might be looked upon more favourably because we act as a united Birmingham. Labour or Conservative control does not matter. The future of our city does. It is the future of Birmingham that matters, regardless of whether the Conservatives or Socialists control it. We should vote on this tonight as a united team.

8.3 pm

Mr. Terry Davis (Birmingham, Hodge Hill): During this debate the hon. Members for Birmingham, Hall Green (Sir R. Eyre) and for Birmingham, Selly Oak (Mr. Beaumont-Dark) have said that the Bill would create jobs. Such arguments sound strange from the lips of hon. Members who support a Government who continually cut public expenditure. I accept that public expenditure creates jobs. My objection to the Bill is not that it involves public expenditure but that it involves expenditure on a motor race instead of more worthwhile projects. Those hon. Gentlemen speak of the expenditure of £1·5 million of capital allocation on a motor race and support it on the grounds that it will create jobs. I am amazed that we have heard nothing from them at any time about the reduction

[Mr. Terry Davis]

of £40 million in capital allocation to the city of Birmingham this year. That money would have created far more jobs than a motor race.

It is clear that the hon. Member for Hall Green does not know how many jobs would be created by the motor race. I can tell him because I raised the point with Councillor Marjorie Brown, the chairman of the general purposes committee. She told me that the expenditure would only create "up to 20 jobs". In fact she said that the clerical work to be done would involve up to 20 extra members of staff for the city council.

The issue is not whether public expenditure does or does not create jobs. I argue consistently in all economic debates that it does create jobs.

Sir Reginald Eyre: I take the point that the hon. Gentleman makes. If the event is held and attracts the flow of visitors and the expenditure that has been taken account of, all that activity creates the prospect of further employment in a wider sector.

Mr. Davis: The hon. Gentleman has taken my bait. I raised that point with Councillor Brown and she could give me no estimate—I was willing to accept any rough estimate or guesstimate—of how many jobs the city council thought would be created as a spin-off from the motor race. I would not have argued. I just wanted a figure. There would be jobs. Some of them would be temporary such as selling programmes and hot dogs. Some of them might last longer than the weekend and be in hotels and restaurants. Of course there would be some extra jobs. But the answer was that the council did not know and the Bill's promoters do not know how many jobs will be created by the activities to which the hon. Member for Hall Green drew our attention.

I am not opposed to the creation of jobs. On the contrary, I argue for that in all our debates in all contexts, unlike the hon. Members for Hall Green and for Selly Oak. I accept that some jobs will be created and that some profits will be made at the same time. That is why some of the businesses in Birmingham want the Bill. They want public expenditure so that they have the opportunity for private profit.

The point is not whether we spend £1·5 million; it is whether we spend it on a motor race in preference to other activities, or projects. That is the point. Capital expenditure creates jobs. It is not only the motor race. Other forms of capital expenditure also create jobs. I am not arguing for a reduction of £1·5 million in the council's expenditure. I am arguing and I have consistently argued for that £1·5 million to be spent on other things.

Mr. Beaumont-Dark: I am happy to be another fish and to accept the hon. Gentleman's bait. We can, of course make out a long shopping list of things on which to spend money. As I hope I said, to spend £1 million on infrastructure or repairs may create more jobs than this project. Which does the hon. Gentleman think will attract more and better publicity for the city of Birmingham and attract people and make them believe that Birmingham is a go-ahead city? Does he think that people would be inclined to give us greater publicity for having a good and successful race or for £1 million spent upon sewerage, although the one may be essential? Do we not sometimes have to raise our minds from the temporary for the greater good in the longer term?

Mr. Davis: I accept the thrust of the hon. Gentleman's argument. We shall be using that word a great deal this evening. That is why I am favourably disposed towards a Birmingham bid for the Olympics. I think that that would do a great deal for Birmingham. But I should prefer people to take away a better image of Birmingham as a result of the expenditure of £1·5 million on some projects that I shall mention later instead of a motor race. I believe that they would have a better image of Birmingham if the money were spent on these projects rather than on a motor race.

The fact that tower blocks are fenced off because of the danger of blocks of concrete falling on people and the fact that Birmingham contains many Smith houses which are crumbling round the ears of the people living in them because the city council has no money to do anything about these problems do not do Birmingham's image much good.

Ms. Clare Short: What would be the impact on Birmingham's image if a foreign tourist went past one of these tower blocks, a lump of masonry fell on his head and he was severely injured?

Mr. Davis: Of course that would be a disaster. I do not think that it is likely to happen, because the council has fenced off many of these tower blocks.

The hon. Member for Hall Green argued that the race would be self-financing. I do not believe that he appreciated the force and strength of our belief in priorities. For the purposes of this debate, I shall accept the figures that have been cited by the city council. This is an argument not about whether the race is self-financing but about the items on which the city council should spend money under the capital allocation. The Minister of State also argued that the race would be self-financing. I do not believe that she has understood the point that it is capital expenditure. It is not a case of spending the people's money, as the hon. Member for Selly Oak put it. The money will be borrowed; it will not be raised from the rates as revenue expenditure.

For what should the city council borrow the money? On what should the council spend it? According to my understanding of the way in which capital expenditure works, the Government restrict the amount of money—they call it an allocation—that the city council can spend on capital expenditure. The Government leave it to the council to decide on what that money is spent, but they control the amount borrowed and the amount that the council can use from its capital receipts. The Government therefore restrict Birmingham's total capital expenditure.

In a letter to me, the chairman of the general purposes committee of the city of Birmingham said:

"you are quite right in saying that this will come from capital allocations — although the phasing of the expenditure by financial year is still uncertain."

The city treasurer confirmed this in a note circulated to other hon. Members, including my right hon. Friend the Member for Birmingham, Small Heath (Mr. Howell). He said:

"Since total local authority spending on land, buildings, roads etc. is controlled by the Government, by spending allocations and restrictions on the use of capital receipts, the initial road alterations and setting up costs would count against City spending limits and would utilise resources which otherwise could be spent on other City services."

Let there be no misunderstanding: it is a question not of the total amount of capital expenditure but of priorities.

In January, hon. Members received a letter from Councillor Dick Knowles, the leader of the city council. His letter complained about the Government's restrictions on Birmingham's capital expenditure. He attached a briefing note that had been prepared by the city treasurer and mentioned all the items — some of which were mentioned by the hon. Member for Selly Oak — on which the city council would not be able to spend as much as it needed in the coming year. These vital items included council house building, even for the elderly and disabled; structural repairs to dangerous high-rise blocks which were being fenced off; improvement grants; work to replace inadequate outside school toilets and essential fire precautions work. That is not my shopping list; it is a list of items that will be in jeopardy because of the Government's restrictions. That is why I and my hon. Friends, especially my hon. Friends the Members for Birmingham, Perry Barr (Mr. Rooker) and for Birmingham, Ladywood (Ms. Short) object to the Bill.

The Minister of State says that it is up to Birmingham city council to decide its priorities, but we are being asked to endorse them by our votes. That is why we are entitled to object. My hon. Friend the Member for Perry Barr put his finger on the central point when he said that money was our greatest concern. Our sense of priorities differs from that of the hon. Member for Selly Oak. That is not surprising. It is one reason why we are in different political parties. We want the money to be spent on those items to which I referred.

This morning, I received a letter from the city council and this afternoon I had discussions with a council officer. I have not been able to consult my colleagues because these events have taken place during the past few hours. The city treasurer's department has now come up with an ingenious scheme. It does not contain everything we have requested. It will still involve the city council using £1·5 million of its capital expenditure allocation for the motor race. The scheme does, however, go a long way towards meeting our objection on the ground of priorities. Our objection concerned the once-and-for-all use of that money for a motor race. However great the profit, it cannot be used for capital expenditure. The scheme proposed by the city treasurer's department would enable us to meet the priorities about which my hon. Friends and I have such strong feelings. The arrangements proposed by the council are much closer to us than the council's previous position, and it has been made clear to me that these proposals at the eleventh hour are the direct result of our refusal to allow the Bill to pass on the nod and of our meeting with the leader of the city council last Thursday afternoon. I urge my colleagues to accept the council's serious effort to meet our objection on capital expenditure priorities.

That still leaves several defects in the Bill, which are covered by the amendments that we have tabled on many aspects, including finance. We shall want to press those amendments to debate and possibly to a Division if they are not accepted by the hon. Member for Hall Green.

The hon. Member for Hall Green said that he accepted the thrust of some amendments and referred especially to some of mine. As my hon. Friend the Member for Perry Barr pointed out, the hon. Gentleman will have to do much more than that. For example, he will have to find a way of accommodating amendment No. 4, which has not been selected for debate. As drafted, the Bill says that the city council will liaise with Birmingham district health authority, but there is no such body. There are five district health authorities in Birmingham, and none of them runs the ambulance service, which is one of the aspects on which there is supposed to be liaison. I suggest that my amendment, which refers to the West Midlands regional health authority, is an essential amendment if this is to be sensible legislation. My amendment has not been accepted by Mr. Speaker for technical reasons, which I understand. The hon. Member for Hall Green should find a way of amending the Bill, perhaps in the other place. The trouble is that, because the Bill is badly drafted, it will have to be amended in the other place and return to the House of Commons to enable hon. Members to consider the amendments.

Mr. Rooker: The technicalities of private legislation differ from those of public legislation. Is the reason why my hon. Friend's amendment was not selected the fact that he could not show evidence that he had consulted Birmingham district health authority, to which he was referring? I freely admit that I did not consult the *Birmingham Despatch*. That was a quid pro quo. How could my hon. Friend consult Birmingham district health authority? If this is the difference between the two sides of the House, surely a manuscript amendment or a change in Mr. Speaker's decision would accommodate my hon. Friend's wishes.

Mr. Deputy Speaker (Sir Paul Dean): Order. Hon. Members are getting a little wide of the debate. I realise that the House wishes to discuss whether the Bill should be now considered. The hon. Member for Birmingham, Hodge Hill (Mr. Davis) has begun to refer to an amendment that has not been selected. I am sure that he appreciates that it would not be appropriate to discuss that amendment. I am wondering whether the House wishes to move on fairly soon to the amendments that have been selected.

Mr. Davis: We are discussing whether we should consider a Bill that is defective. From the expression on the face of the hon. Member for Hall Green, I think that he has had urgent discussions with the city council as a result of my amendment and others. He has learned that there is a defect in the Bill. It is a pity that it was not put right before.

Perhaps the hon. Member for Hall Green will rise to suggest that we should now defer consideration of the Bill to enable us to amend it properly in the House of Commons. I am not putting words into the hon. Gentleman's mouth, but that is the point that I was seeking to make.

Clearly we shall consider the Bill this evening because the hon. Gentleman has not risen to his feet. We shall consider a defective Bill that will have to be amended in the other place and will have to come back to the House of Commons.

Meanwhile, we shall seek to amend the Bill to enable it to go forward as a much more sensible Bill than it would have been if we had not objected to its passage on the nod a fortnight ago.

8.20 pm

Mr. David Ashby (Leicestershire, North-West): I was not able to catch your eye, Mr. Deputy Speaker, on Second Reading. I am surprised that so many of my hon. Friends are still so keen on the municipal as opposed to the private sector being involved in the race.

[Mr. David Ashby]

Many of my constituents are ratepayers of the city of Birmingham. Some are in the unfortunate position of being ratepayers who do not have a vote — in the business and commercial sector. They are very concerned about the Bill. Therefore, there are some matters that I wish to raise at this stage in the hope that something can be done and that some consideration will be given to those points.

Before I refer to those matters, I should like to say something about the RAC, of which much mention has been made, because I have spoken to its representatives on many occasions about the Bill. Their position may have been misrepresented unwittingly. As we know, they were opposed to the idea of a road race on public roads. They were very concerned about the precedent and about races taking money from the private sector, where a great deal of capital had already been spent. On the other hand, as very good servants of this country and as people who watch carefully what happens in Parliament, and bearing in mind Second Reading, they realised that they should co-operate and enforce the rules and regulations to the best of their ability. To say that they are in favour is being unfair to them. They are not. The RAC is the governing body of motor sport, and it is therefore beholden to the sport, the country and the views of Parliament, and to do its best in a situation in which they disagree. I know that the RAC has been co-operating and that it will continue to do so. However, I wanted to put that matter straight.

A few points cause me a great deal of concern. The first concerns clause 5, on the restriction of traffic. The proposed route for the race covers 2·5 miles, involving parts of 45 roads bounded by a mixture of commercial and industrial and residential premises. The Bill empowers the council to close off the roads and to restrict access to any part of them between 9 am and 6 pm on the day of and the day preceding the race. That could create havoc for some commercial premises to which goods must be delivered and received.

We appreciate that trade and commerce do not grind to a halt just because of a bank holiday in England, especially as bank holidays abroad do not necessarily coincide with our bank holidays. Therefore, the powers of access granted in the Bill are not sufficient, especially considering the inconvenience of even setting up the barriers and taking them down, apart from inconvenience during the race itself.

We must appreciate that the race is to take place not on a field miles from anywhere, but in the commercial heartland. I am disappointed about that aspect of the Bill. I hope that if it goes to the other place, further consideration will be given to the point that I have raised.

The other points that I should like to raise are more fundamental and go to the heart of much that I have spoken about and believe. Clause 16 deals with damage to property. The Bill provides that entitlement to damages from street closure or barrier erection is to be calculated under provisions laid down in the Land Compensation Act 1961. Under that Act, disputed claims for compensation go to the land tribunal rather than directly to the courts. That is something like a court of law. But in such cases, should not any disputes go directly to the High Court, especially since they may involve both physical loss and commercial financial loss of large sums of money? In the eyes of the public, such a crucial case would be accredited with greater legitimacy if it was heard in the High Court. Why should a business action for tort not be available? Why should this procedure supplant a business action for tort?

The Bill states that damage claims must be assessed in the light of any gain to the plaintiff that the holding or the prospect of holding a motor race would give. Who will decide who gains or what those gains are? That is an unfair penalty on business interests. We must appreciate that under the Bill there will be confiscation of property rights for a time, possibly without adequate compensation.

There is another aspect that we must consider—the duration of validity for damage claims, which comes under clause 16(5). The clause provides that a period of only 12 months elapses before any claim for compensation falls. That is absolutely ridiculous. Why should Birmingham arrogantly give itself preferential treatment? After all, the limitation period in any other business is a good deal longer. It is six years. Why should Birmingham have 12 months? We must consider why it is six years. In certain trade and international commercial circles 12 months would be an insufficient time to make any assessment of the true extent of the damage incurred. That is a very important point. It is absolutely fundamental.

Mr. Rooker: The hon. Gentleman is making a meal of the matter. I do not like the way in which he is attacking Birmingham. Surely the reason is obvious. Birmingham wants to get the claims for one race out of the way and legally settled before the second race. That makes sense. Otherwise, it would be impossible to administer.

Mr. Ashby: One will not know whether the race has been run at a loss or a profit until one has got the claims out of the way. That may well be the point. That may be the reason for 12 months. After all, a substantial claim could turn a profit into a loss—perhaps a substantial loss. However, not only commercial interests but residents are involved. Why should those people be in a different legal position from the rest of the country? Why should they not have the same legal rights as the rest of the country? Why can they not go to the same courts, have the same limitation period, and make the same claims as the ordinary person?

Sir Reginald Eyre: With respect, I think that my hon. Friend has not taken full account of the deliberations of the Committee. Special provisions with regard to liability affecting Birmingham were made, which took it into a special category, part of which my hon. Friend mentioned. But the total balance is very much in favour of anyone who is injured. I think that that was a proper liability to place upon the corporation in these circumstances. It will, of course, be met by insurance. I think that, under the total scheme, the balance of advantage is with the person injured.

Mr. Ashby: I have not seen that. Why should Birmingham be given such preferential treatment in the courts above and beyond everyone else? The courts exist to protect ordinary citizens, and every citizen should have the right to go to court. I hope that my points will be given thought elsewhere because the position is alarming and goes far beyond the Birmingham City Council Bill.

I find another aspect equally alarming. Clause 5(7) allows the police to arrest any individual found without reasonable excuse in any street closed for the event. Under

the Bill the police will have the defence of taking all reasonable precautions. The Bill creates an offence, and I can see the scenario that will develop. A person with important commercial interests who requires to reach his premises will be refused access by a police officer. That person will say, "I must pass through. I have an important item to deliver to the premises." That may happen not on the bank holiday, but on the preceding day or one of the other days when the streets are closed. Then the poor fellow will be arrested, taken before the courts and fined. Only a fine is permissible under this clause. He will be extremely angry because he will have been denied access to his premises to carry out his business. He may refuse to pay—many people refuse to pay fines—and he will then be sentenced to 14 days imprisonment. That is the scenario that will arise because fundamental rights are denied under the Bill. That is a serious aspect, and it must be considered. A new offence is being created.

Equally alarming is clause 12, which deals with the compulsory purchase of land rights. The Bill gives Birmingham city council draconian powers to acquire property rights on specific land for three days before and after the day of the event, if agreement cannot be reached with the owner. I have spent most of my political life fighting against compulsory powers and for the rights of the individual. This clause fills me with horror. We are taking property rights away from the individual. There is no appeal, because this is a compulsory acquisition of property rights. In other similar cases there have been inquiries. An independent inspector has to listen to both sides and make up his mind whether the powers that have been sought are good or bad, sensible or nonsensical. After that, the matter goes to the Minister for his agreement. That happens in every other case of compulsory acquisition of land rights. However, there is no provision for that in the Bill. The powers are draconian. No other body has them in peacetime. I can imagine those powers being made available in wartime regulations, but not in peacetime.

It is monstrous that Birmingham should be given these added powers, that there should be no appeal, no independent inquiry and no safeguard for the individual. The Bill removes individuals' rights substantially in the name of a jolly good day's entertainment on the municipal rates, and without regard to the people who will be affected by the race being staged on their roads. The very people affected are having their rights taken from them. I hope that my points will be considered, because they are vital.

8.35 pm

Mr. Peter Snape (West Bromwich, East): I wish to refer in particular to the speech by the hon. Member for Leicestershire, North-West (Mr. Ashby). At the beginning of his speech I wondered how many of the hon. Gentleman's constituents either live or work in Birmingham.

Mr. Ashby: One thousand.

Mr. Snape: I heard him when he mentioned it in his speech. He has spoken for 15 minutes and I hope that he does not wish to speak again now.

Like most of my hon. Friends, I see no particular reason why people who live in north-west Leicestershire should vote in council elections in Birmingham.

Mr. Ashby: They do not.

Mr. Snape: The hon. Gentleman keeps re-emphasising points to which I listened. I am well aware that his constituents do not vote in Birmingham council elections. My point is that I see no reason why they should. It is difficult for me to speak because I am a non-Birmingham Member of Parliament. However, I can claim to be a Birmingham ratepayer and, therefore, I have some direct interest in how my money is spent. Regrettably, I am not yet represented by any of my hon. Friends, but I hope that some time in the future I shall be.

Mr. Terry Davis: Who did my hon. Friend vote for?

Mr. Snape: Regrettably, I was not in Birmingham during the general election, but I promise to vote Labour next time.

My hon. Friend the Member for Birmingham, Ladywood (Ms. Short) pointed out the inconvenience that her constituents will suffer if the road race goes ahead. I, too, have many constituents who live in tower blocks and who, like her constituents, wish to leave them as quickly as possible. Although I do not know my hon. Friend's constituency as well as she does, I hope that she will accept that I know a little about it. This morning I passed through part of it, and I hope that she will agree that the environment of her constituents with the present road traffic using the roads on which it is proposed to run the race is hardly the best in the country. I put it no higher than that. Perhaps she could tell the House what her constituents' views would be about the difference between the non-stop stream of heavy goods vehicles which pass through the centre of Birmingham at present on these roads, and the road vehicles that will pass down those roads if the Bill is accepted. I would not have thought that the intrusive aspect of a road race would be much greater than the nightmare that most of them must put up with at present.

Ms. Clare Short: We are told by an expert report that the noise from the road race will at times be deafening, but brief. Obviously, that is much more intrusive than normal heavy traffic during the day. However, that was not my major point. It was that the money that is being spent on the road race could be spent on desperately needed repairs to the tower blocks that surround the racing circuit.

Mr. Snape: I realise that. My hon. Friend will, however, acknowledge that £1,500,000 will not go far towards those much-needed repairs. As the Member of Parliament who represents the constituency adjacent to my hon. Friend, although outside the city of Birmingham, I [illegible] that if millions of pounds are flying around, some will be allocated to my constituency. The point made by my hon. Friend the Member for Birmingham, Hodge Hill (Mr. Davis) is central to our debate. I speak only for myself when I say that I would find difficulty in, on the one hand, waging a political battle for greater local government autonomy, and on the other telling an elected city council whether it can spend a small proportion of its overall budget. I was a member of a local authority, as were many of my hon. Friends, and for some time I was chairman of the finance committee. The allocation of finance and the division of any council's resources is often a hot political potato. Indeed, sometimes it is a hotter political potato among members of the same party than it is in a council where all the political parties are represented. When I did that job, I would not have wanted the House to decide those financial priorities for me.

[Mr. Snape]

The Labour party has waged the battle that it has on the Local Government Bill because the Government wish to centralise the decisions of local authorities. Again, I stress that I speak personally, but I support the right of Birmingham city council to decide its priorities. I represent a constituency adjacent to Birmingham and within the borough of Sandwell, and I can tell the House that such arguments and controversies are nothing new in my borough. We run an annual historic vehicle parade for which it is necessary to close some roads. The parade was started by two people about seven years ago, but because it was so successful, Sandwell council became directly involved and now contributes financially to the project. During the years, there has been some criticism within the borough and on the council about spending money in that way.

I have another interest to declare, in that it is extremely worrying that each time I see the historic vehicle parade, I realise that I used to travel on most of the buses on parade. The allocation of a small part of the council's resources often causes controversy in the borough. I do not always agree with the council's decisions, but I believe that the allocation of resources is better left——

Mr. Terry Davis *rose*——

Mr. Rooker *rose*——

Mr. Snape: I cannot give way to both my hon. Friends. Perhaps they can decide between themselves who will cast the first stone. The allocation of those resources should be left to the local council. That is why, on the previous occasion when this Bill was before the House, I could not support my hon. Friends.

Mr. Terry Davis: My hon. Friend has made it clear that he is speaking for himself. However, does he understand that there is a difference? Here we are being asked to vote on the priorities because we must vote on a Bill. It is not a case of leaving the decision to the council. We are being asked to endorse or vote against its priorities. I must tell my hon. Friend that four of the six Birmingham, Labour Members of Parliament do not regard themselves as rubber stamps for the council.

Mr. Snape: Of course I accept that. However, I should point out that the Government are seeking a change in the law because they do not believe in the autonomy of local government.

Mr. Davis: It is not the same thing.

Mr. Snape: It is exactly the same thing. Of course, four of the six Birmingham Labour Members of Parliament must make up their minds and vote accordingly on this Bill, as on any legislation. I make no complaint about that.

However, the city council recently commissioned an eminently reputable organisation—Market and Opinion Research International, which the Labour party uses for its opinion polls—to conduct an opinion poll into what people thought about decision-making at local level, the accountancy procedures of the council and the way in which their money is spent. The result of the poll will bring no comfort to Conservative Members, who troop continually through the Lobby to restrict the powers of local authority expenditure. The poll states:

"Even among those who believe the Council, not the Government, is more to blame for rate rises"—

that is a very small proportion of the citizens of Birmingham—

"over twice as many say the Council (62 per cent.) rather than the Government (28 per cent.) should be mainly responsible for how much the Council spends."

The people were not asked whether the Opposition should play a part in decision-making. The result shows that the ratepayers of Birmingham, regardless of their political affiliations, believe that those decisions are best made at city council level. I agree with them.

Mr. Rooker: I should be interested to see that document, because none of us has received it. I do not know why that should be so. Perhaps the hon. Member for Birmingham, Hall Green (Sir R. Eyre) has a copy. Does my hon. Friend believe that it should be a matter of local government choice to have racing on the public highway? That is what the Bill is about. If it was possible for a council to decide to close the highways and to have racing on them, they would not need a Bill. No one is arguing about the priorities of choice among the heads of expenditure within the competence of the city council. It is not within the competence of Birmingham city council to close the public highway for racing. That is why it must come to the House for permission. That is why we are asking some questions about the financial arrangements. There is nothing wrong with that, and I cannot understand why my hon. Friend has this holier-than-thou attitude on this matter. We are not attacking local democracy. It is simply not within the competence of Birmingham city council to do as it wishes in this respect.

Mr. Snape: I should be grateful if my hon. Friend would not shout at me, because that does make a valid point better. If we cannot conduct this debate without going for each other's throats, at least verbally, we are in a bad way.

As to my hon. Friend's first point, I do not know how the document was distributed. I received it only today, and I have no idea whether other hon. Members received copies. It is entitled, "Residents' attitudes to Birmingham city council", and it is a research study conducted for the council by MORI.

Mr. Rooker: Where did my hon. Friend get the document from?

Mr. Snape: I got it from the city council today. I thought that I had made that plain. My hon. Friend, who is a fellow ratepayer in Birmingham, is welcome to take the document with him at the end of the debate. There is no reason why it should be kept secret and, as far as I am aware, it has not been.

Mr. Rooker: I have never heard of it.

Mr. Snape: I do not wish to labour the point. There is the document; if my hon. Friend wishes to read it, he can take it with him at the end of the debate.

My hon. Friend's second point was that the controversy is about road closures rather than financial matters, but that is not what my hon. Friend the Member for Hodge Hill said. I do not complain about what he said, but he and my hon. Friend the Member for Ladywood both said that this is a question of financial priorities and that, rather than spend £1·5 million on a road race, they could find—we

all could—better purposes for the expenditure than the city council has chosen. That is a different point from the one made by my hon. Friend the Member for Perry Barr.

Mr. Rooker: Will my hon. Friend give way so that I can clarify this point?

Mr. Snape: No. We shall come to the amendments in a moment or two, and no doubt my hon. Friend will wish to speak again. My hon. Friend the Member for Ladywood refused to give way to me twice the last time we debated the matter.

Ms. Clare Short: Will my hon. Friend give way?

Mr. Snape: No. We shall reach my hon. Friend's amendments in due course. One of the amendments concerns half-price tickets for those wishing to watch the race. I shall vote against that proposal because it is unfair. I shall directly benefit from such a provision, but others will have to pay twice as much to watch the race.

I do not know whether the city council is right in its suggestion on the tourist aspect. The council must make its own decision. I find some contributions by my hon. Friends vaguely off-putting because they claim to be concerned about the future economy of the city. When one considers what has happened to that economy in the last six years it is ridiculous to suggest that the scheme could go even a fraction of the way to replace the jobs lost in manufacturing industry in Birmingham and the black country. Any impact that the scheme could have on the economies of Birmingham and the surrounding area is at best marginal. It might even cost money.

My hon. Friend the Member for Perry Barr was anxious to persuade members of the local authority to stand the financial loss if that were necessary. However, he has said that that is unacceptable to the city council and that therefore he would not proceed with that suggestion.

We are talking about a decision by a majority on the city council. That is not good enough, although I know that some of my hon. Friends do not agree with me. The Bill received an overwhelming majority on Second Reading. That leads me to believe that I should support the Bill as I did then.

Mr. Deputy Speaker: I remind hon. Members that there are five amendments and that time is short.

8.52 pm

Dr. John G. Blackburn (Dudley, West): I shall take note of your guidance, Mr. Deputy Speaker, and my remarks will be brief.

Throughout the Bill's consideration two important features have been prominent. The first is the closing of roads, and the second the financial structure relating to the rates. I represent not a Birmingham constituency but a constituency in the heart of the black country. I am able to tell the House that there is a tremendous amount of support for the Bill in the black country. The hon. Member for West Bromwich, East (Mr. Snape) is in the same position as I am, in that we are not contributors to the area in rateable terms, but we both support the event.

The closing of roads takes place in all areas for all sorts of reasons, particularly in the summer. The contribution of my hon. Friend for Birmingham, Selly Oak (Mr. Beaumont-Dark) was saturated with wisdom. He gave us the vision of what happened some years ago when Birmingham's city fathers took the decision about the national exhibition centre. I spent three years involved in the construction of the NEC and the buildings attached to it. It is a jewel in the crown of the west midlands. I believe that the events that we are debating tonight will be another jewel in the crown.

I am prompted to say that because another city has roads which are closed once a year. They are closed so that a race might take place. If one asked the people of Liverpool, "Why do you close the roads?", they would say "Because we are able to have an international event which is well renowned. You can speak to people throughout the world and mention Melling road and they know what you mean."

Ms. Clare Short: What is it?

Dr. Blackburn: It is not up to me to educate the House. Because roads are closed by Act of Parliament, the Grand National steeplechase can take place at Aintree. That is a tremendous source of income for Liverpool. Equally, this evening represents an historic occasion. Closing roads in Birmingham will have the same historic success, and I wish the Bill godspeed.

Question put and agreed to.

Bill, as amended, considered.

New Clause 1

DURATION OF ACT

'(1) The powers of this Act shall cease to have effect if the profit income to the City from the road race does not exceed the annual revenue and capital repayment costs by 1991.

(2) Separate accounts shall be published each year on the exercise of powers under this Act'.—*[Ms. Clare Short.]*

Brought up, and read the First time.

8.54 pm

Ms. Clare Short: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this we may discuss the following amendments: No. 7, in clause 4, page 5, line 24, at end add—

'(3) The powers of this Section shall be exercised after the Council has arranged external financial sponsorship to cover its capital expenditure involved in providing motor races.'

No. 16, in clause 9, page 8, line 39, at end insert—

'(3) The powers of this section and section 4 shall not be exercised if the capital expenditure to be incurred in 1986 exceeds £1,700,000'.

Ms. Clare Short: The purpose of the new clause is to hold the council to the financial projections that it continues to put before us to justify the road race. We are in a quandary because, whenever we ask how the finances will work, we are given a set of figures which show that £1·5 million capital expenditure will be involved initially, that £1·5 million revenue expenditure will be involved each year that the race is run and that the returns for the city will at best be £2·5 million and at worst will cover costs. Nothing in the Bill holds the city council to those projections. It will be possible for the council to spend considerably more and to receive considerably less, and never have to do anything about it.

As I said during the speech by the hon. Member for Birmingham, Hall Green (Sir R. Eyre), at a meeting recently with the leader of the city council, one of the officials argued that even if the road race were not profitable it might be desirable for the city because a road race might make Birmingham as famous as Indianapolis. That was an extraordinary comparison. I know nothing

[Ms. Clare Short]

about Indianapolis except its name. Birmingham is Britain's second city and the place where the industrial revolution began. It can already claim more fame and glory than Indianapolis.

Mr. Beaumont-Dark: Does not the hon. Lady think that there is something vaguely insulting in suggesting that the city of Birmingham — which manages to handle hundreds of millions of pounds of expenditure each year and look after, as is its duty, more than 1 million people — really needs this House to act as a nanny and tie down the city to a sum of money? Would it not be better for it to decide for itself? Does this House think that it can take Birmingham's place and do its job for it?

9 pm

Ms. Clare Short: It is extraordinary that the hon. Gentleman belonging to the Conservative party, has the cheek to stand up and say that. Since 1979 we have lived with his party constantly taking away financial powers from local authorities and tying them down in the way in which they can spend money.

Mr. Terry Davis: I have visited Indianapolis and I would not want to live there.

Ms. Clare Short: I am grateful to my hon. Friend.

There are two views. It is not simply a matter of trying to tie down the city of Birmingham on how much it can spend on a road race. Underlying the amendment is a policy decision on whether it is worth while Birmingham having a road race that does not cover its costs.

The purpose of the new clause is to require the city to cover its costs, but to give it five years to do so. It should be acceptable to anyone other than those who, like that official, want to argue that the road race is worth while in any event. It is a fairly low level race. The number of international visitors who will go to Birmingham to attend the race has been exaggerated and will be nothing like the number that would be attracted to the grand prix that Birmingham thinks it will get but will not get. It is an entirely reasonable clause. Indeed, yesterday I received a letter from the leader of the city council intimating that it might be acceptable. I do not doubt that the hon. Member for Hall Green will give us a detailed account of the city council's attitude to it. I shall listen to him with considerable interest. As matters stand, I shall seek a vote on it.

The second part of the new clause seeks information for the people of Birmingham on the amount of money involved each year—the cost of the race and the money being returned — which will enable them to exercise their democratic rights through local elections and in discussions and to determine whether the road race is costing them money or bringing money to the city.

Amendment No. 16 is a different amendment with a similar purpose. It refers specifically to capital expenditure. In the estimates that we have been given, the city council says that there will be an initial capital expenditure of £1·5 million and thereafter £1·5 million revenue every time that the race is run. As my hon. Friends the Members for Birmingham, Perry Barr (Mr. Rooker) and for Birmingham, Hodge Hill (Mr. Davis) made clear, capital expenditure in Birmingham is very short because of the limitations that the Government have imposed on the right of Birmingham to spend capital. Therefore, if expenditure of £1·5 million is made on the road race, that £1·5 million cannot be spent elsewhere. The amendment seeks to hold the council to its projections. If it believes in its figures, both of our proposals should be acceptable. The amendment would require the council to spend no more in initial capital than £1·7 million in 1986. Therefore, it cannot claim that inflation has speeded up — which it has — and that £1·5 million is no longer realistic.

I hope that both proposals will be acceptable to the promoter of the Bill. I make it clear that, unless undertakings are given, I intend to push both of them to a vote.

Sir Reginald Eyre: I am grateful to the hon. Member for Birmingham, Ladywood (Ms. Short) for the forthright way in which she moved the amendments. I appreciate the underlying principle that both she and the hon. Members for Birmingham, Hodge Hill (Mr. Davis) and for Birmingham, Perry Barr (Mr. Rooker) have advanced in asking for detailed study and consideration of the point encompassed in both amendments.

In principle, a requirement that the race would not continue — that is, that the powers to operate the race would cease — if the event could not be staged without incurring annual losses, is accepted. The city council would not want to continue running the race if it had to require support from the ratepayers each year.

However, the wording of the appropriate legislation needs to be carefully considered to achieve that objective. I can illustrate the drafting difficulty by pointing out that the words "profit income" do not represent a precise accounting phrase. The intention is to introduce an amendment in another place to deal fully with the principle of the new clause.

The hon. Member for Birmingham, Perry Barr (Mr. Rooker) asked whether we could make any necessary amendments in this House. I understand that it is not procedurally possible at this stage to do that. In any case, it is necessary to arrive at the precise form of words to meet the principle of the amendment. On that basis, I ask Opposition Members to accept my assurance that a suitable amendment will be introduced in another place.

Mr. Terry Davis: Clearly, the hon. Gentleman is making great efforts to meet the arguments that my hon. Friends and I have adduced. Why is it not procedurally possible to amend the Bill in this House?

Sir Reginald Eyre: I am not fully acquainted with all the mysteries of the procedural difficulties that apply in Parliament. I understand that if we were to seek to make the change now, a manuscript amendment would be necessary and that there would not be time to incorporate the points made by the hon. Member for Ladywood in a suitable form of words. I am giving an undertaking of equivalent value in that such an amendment will be introduced in another place. I give that undertaking on behalf of the city council.

Mr. Rooker: I am grateful to the hon. Gentleman for the undertaking that he has given. However, the promoters are, in charge of the Bill. It is their measure and they are paying for it. Indeed, they have probably paid the legal profession a fortune to get it this far. The promoters are therefore entitled to promote any amendment that they

wish and to do so at any stage of the Bill. I feel sure that if those with the expensive and expert advice necessary to frame such an amendment were to do that and present to the hon. Member for Birmingham, Hall Green (Sir R. Eyre) a manuscript amendment, and he sought approval to put it before the House, the matter could be settled here and now.

Sir Reginald Eyre: I appreciate the hon. Gentleman's impatience to settle the matter promptly. He will know that I am not in charge of the detailed professional handling of the Bill. I am faced with the technical fact that while I am able to accept the principle of the amendment, consideration must be given to it so that a suitable form of words, from the accounting and legal point of view, may be devised. I cannot introduce such an amendment at this stage. It is with complete honesty that I am trying to ensure that the amendment is achieved in a correct form. I ask the hon. Member for Ladywood and her hon. Friends to accept my assurance.

Ms. Clare Short: I accept the hon. Gentleman's assurances and I am grateful for them. It would be generous if he were to agree not to oppose the new clause and, if it needs correction, to correct it when it goes to another place.

Sir Reginald Eyre: I have had much experience of piloting legislation through the House. I have given an undertaking without reservation on behalf of Birmingham city council. I hope that the hon. Lady and her hon. Friends will be kind enough to accept it. I assure her that no damage will be done to her argument and that the result will be exactly the one that she wants to secure.

Amendment No. 16 raises more difficult issues. It is directed to the proposed limit on initial capital expenditure. The new clause seeks to introduce a requirement that the race should be conducted for a specified period — five years — without loss and amendment No. 16 seeks to provide a more limited time. Birmingham city council is not able to accept the amendment. The city is confident that the costs can be kept within a proper ceiling but there could be an unforeseen additional cost. For example, road surfaces could be displaced and urgent expenditure would be required to put the road in a satisfactory condition within the required time. Such an unforeseen additional cost would mean that the race could not proceed. The amendment includes a certain figure and the item of unforeseen expenditure could take the city only slightly over that limit. If the need for such expenditure were to arise at the last minute and to cause the capital limit to be breached, the race would have to be cancelled and the city could incur huge compensation payments that would be far in excess of the additional capital spending required.

After earnest discussion, and with a great desire to meet the arguments that are being raised by the hon. Member for Ladywood and her hon. Friends, Birmingham city council cannot commit itself to cancel the race if there were to be some slight extra expenditure beyond its control which would affect annual expenditure. The council has no reason to believe that costs will escalate and, indeed, it is sure that they can be contained.

The hon. Member for Ladywood has referred to annual accounts. As I said on Second Reading, the annual accounts must make clear exactly what the position is in respect of the race. The hon. Lady's argument will be met by the provisions that turn on five-yearly expenditure and by annual accounting. For the reasons that I have offered, the council cannot accept a limitation on expenditure each year. However, it believes that it will be able to ensure that it keeps within its planned expenditure.

Mr. Terry Davis: The hon. Gentleman may be confusing new clause 1 and amendment No. 16. In his earlier response, he referred to the annual expenditure and the problems that might be created if there were a limit on the annual expenditure. At that point he was referring to amendment No. 16. The amendment is concerned only with capital expenditure, which is by definition once-for-all-expenditure. I think there was confusion there in the hon. Gentleman's mind.

My hon. Friend the Member for Birmingham, Ladywood (Ms. Short) would not wish to be so inflexible as not to provide for the possibility of some unforeseen capital item taking the cost above the limit which she has suggested, but the limit that my hon. Friend has suggested seems to be the council's own estimate of £1·5 million, adjusted for inflation. Is the hon. Gentleman saying that there is nothing in that estimate for contingencies?

9.15 pm

Sir Reginald Eyre: I am grateful to the hon. Member for Hodge Hill, who has clarified a possible misunderstanding arising from what I said earlier. He is right in saying that amendment No. 16 relates to the initial capital expenditure, which, as we know, has been said to be £750,000 a year for two years, totalling £1·5 million.

I suppose that it would be difficult to ask any councillor or any public body to say that it had taken complete account of the possible inflationary consequences in any transaction over the period in question, but the council believes that it can ensure that the costs are contained. I think we would all want to say that some account must be taken of inflation. The latest estimates are that the rate of inflation will be falling again towards the end of this year. We all know the difficulties where inflation is governed by world trading and financial circumstances. Therefore, although I understand the hon. Gentleman's point, I do not think that the council can commit itself to meet his point completely.

I am trying to emphasise to the hon. Gentleman and to the hon. Lady that, with regard to the initial capital expenditure spread over two years, the council can ensure that it will be kept within the limit estimated. It accepts the point that the hon. Lady has emphasised about the importance of annual accounting, which we all accept. Furthermore, I am delighted to emphasise that the council is able to accept fully the principle set out in new clause 1. I am putting that total package to the hon. Lady, because the council has done as much as it can in capital terms to accept her amendment.

Dame Jill Knight (Birmingham, Edgbaston): Will my hon. Friend agree that Birmingham city council has taken immense trouble over a long period? There were many doubters at the outset. Am I right in saying that the financial conclusions were not reached without the burning of much midnight oil?

Sir Reginald Eyre: My hon. Friend is right to make that point. The sceptical view taken by some people, in a quite healthy way, has caused much care to be taken in the preparation of the Bill, and the degree of care has increased as time has passed.

Mr. Ashby: Will my hon. Friend give way?

Sir Reginald Eyre: Perhaps my hon. Friend will excuse me for just a moment. I was describing the preparation to Opposition Members. My hon. Friend the Member for Birmingham, Edgbaston (Dame J. Knight) is right—none of us believe that the city of Birmingham would be anything other than responsible when calculating such expenditure. The issues of sensitivity which the hon. Member for Hodge Hill mentioned are well understood because there is a desire to use the money in other ways which it is believed would be advantageous to the city.

Ms. Clare Short: I have listened carefully to everything that the hon. Gentleman has said. The trouble with acceptance of new clause 1 but rejection of amendment No. 16 is that it would be possible to spend massively over the capital projection, to find within five years that the whole thing is losing money and close it down. It is surprising that the city council is not prepared to accept the amendment, or something like it, if it has any confidence in its cost projections. A document prepared for the city council on the financial implications of a motor race in Birmingham told us that a contingency of 35 per cent. to allow for inflation and unforeseen difficulties had already been included in the capital figure. We are now told that the capital will be spent over two years, but that a limit of £1·7 million in one year is not acceptable. That seems quite extraordinary.

Sir Reginald Eyre: I am not saying that capital expenditure of £1·7 million is not acceptable. I am saying that the strict terms of amendment No. 16 would be difficult for any responsible body to accept. As I have explained, the job will be phased over two years, during which time there might be some unforeseen event. It might cost only £300,000, but if that sum took the total over the limit, the city council would be in far greater difficulties than any of us would like. That is the difficulty with specifying a figure. The reason is a business reason.

The council is being terribly responsible in responding to the amendment. It has given full reasons why it cannot accept the amendment in strict detail, but it has declared that it will do everything possible to ensure that planned expenditure is not exceeded and that the job is done in two years so that it can conduct the business effectively. In view of that attitude, acceptance of new clause 1 and acceptance of annual accounting, I hope that the hon. Lady will be able to accept this as a reasonable package.

Mr. Ashby: Has my hon. Friend considered what I said about payments of compensation and damages? Has he insisted that the Bill provide that such claims be settled in 12 months? How would they affect the profit income?

Sir Reginald Eyre: I believe that, in regard to compensation and the involvement of the Lands Tribunal, my hon. Friend does not accept a principle that has been established in much legislation in which power is given to a public authority to carry out major works.

The Lands Tribunal has always been accepted as the eventual appeal body for calculations of compensatory damages. The matter was carefully considered in Committee and an obligation was placed on the city council in regard to the acceptance of liability. The rights of anyone who may have a claim will be much improved; he will not have to go through the usual process of law, but it follows that a claim will have to be initiated within a shorter period. I ask my hon. Friend to consider the balancing legal points. They secure the interests of individuals and put a severe responsibility on the city council.

Mr. Speaker: Order. Before we proceed too far down this line, may I draw the hon. Gentleman's attention to the fact that I think this matter would be more correctly discussed under amendment No. 12, which deals with compensation.

Mr. Rooker: I did not realise that the hon. Member for Birmingham, Hall Green (Sir R. Eyre) had finished. He has completely ignored amendment No. 7, which is obviously a non-runner. The thought of getting the necessary capital expenditure from a source other than the repair bills of my constituents obviously never crossed the minds of those who wrote the hon. Gentleman's brief.

Amendment No. 7 is an alternative to amendment No. 16, which is also unacceptable to the city council. The hon. Member for Hall Green made a telling observation when he said that the city council was beginning to think about the problems as time runs out. Even at this late stage, I cannot see why the council cannot seek some external financing sponsorship for the capital expenditure involved. A total of £1·5 million at 1984 prices—most of the calculations were put together in 1984 — is chickenfeed to big business.

On Second Reading, the hon. Member for Hall Green told us about the influential organisations that supported the Bill. He read out a list of home-grown and foreign-based multinationals in the motor industry in and around Birmingham. The list included Austin Rover—I would not include that company as a top profit-maker; Shell UK Oil—as far as I am aware, that company is making no losses; Cadbury Schweppes, a home-grown multinational, based, for all practical purposes, in Birmingham; IMI, a massive multinational which, to its credit, retains its headquarters in the inner city of Birmingham and puts its money into industrial units; GKN, one of the most profitable companies in the land, with its headquarters and many plants in the west midlands; and Davenports, the local brewers — I do not know much about their financial position, but I do not think that they are making a loss. The Holiday Inn kept writing to hon. Members asking them to support the Bill. It will make money for the hotel and create an occasional job for an apprentice.

Why cannot those big companies put their hands in their pockets? I suggest that £200,000 apiece would do the trick. They could lose such a sum in adding up the third column of figures beyond the decimal point. It would be that small. The scaffolding, crash barriers, new lamp standards and seating could be adorned with their names, and rightly so. What is wrong with that? At this late stage, why cannot the city council try to obtain the initial capital expenditure from elsewhere? The hon. Member for Birmingham, Selly Oak (Mr. Beaumont-Dark) wants the ratepayers to put their hands in their pockets to provide the spin-off for all the companies to which I have just referred. I believe, however, that they ought to make a contribution to the city, and it is not too late for them to do so.

9.30 pm

We accept the sincerity of the hon. Member for Hall Green. Nobody disputes his integrity. However, we cannot control what happens in the other place. The hon. Gentleman said that he has experience of legislating. I

acknowledge that he has been a Member of Parliament longer than I, and he has also served as a Minister. However, I have been a Member of Parliament sufficiently long to know that not every statement made in this House is translated into legislation in the way that was originally envisaged.

I should prefer new clause 1 and amendments Nos. 16 or 7, which are alternative amendments, to be included in the Bill without a Division. If the figures are wrong, I should be prepared to allow indexation in the case of amendment No. 16. We are endeavouring to insert the intention behind the background briefings that were provided by the city council. We do not want runaway spending——

Ms. Clare Short: Another Concorde.

Mr. Rooker: That is right; we do not want another Concorde.

The city council says that the project will cost only £1·5 million in 1984 prices, or £1·7 million in 1986. The council has built into its calculations massive variations of the money that it will get from television rights. They amount to as much as 35 per cent. The financial department of the city council runs a fairly tight budget and ship under Councillor Dick Knowles, so I am confident that if it says that the price will be £1·5 million in 1984 prices, it can be accepted. I shall keep the council to it.

Financial discipline must be imposed not upon the city council but upon the people with whom it does business. Contract after contract will be let to the private sector. I want extra jobs to be created, but the private sector must be told that this is not a gravy train. It must not be led to believe that no financial ceilings will be imposed, just because this new tourist venture has been sanctioned by Parliament, and that it must be got on the road at all costs because the council does not want to lose face and therefore an extra 5 per cent. on this or an extra 10 per cent. on that, or an overrun on something else, will be met by the city council. If the private sector realises that a financial ceiling is set upon the city council's expenditure, it will be forced to keep within financial limits.

Ms. Clare Short: The feasibility study which has been circulated to hon. Members by the RAC demonstrates that considerable road works will take place. There will be road widening and the removal of roundabouts. The RAC also says that further discussions will take place and that further requiremens may be imposed. Does my hon. Friend agree that it might help if the city council said that there was a limit upon the amount of capital that it could spend and that the road race project could go ahead only within those financial limits?

Mr. Rooker: Yes, that is right. If there were problems of unforeseen expenditure and of expenditure going out of control, the city council could say that Parliament had limited the expenditure. It would be open to the city council to obtain money from elsewhere if there were an overrun for some reason. Big, profitable businesses based in Birmingham, living off the motor industry and its component suppliers, such as hotels, would put their hands into their pockets if they believed the venture to be viable. It is in the interests of the city council and of its contractors to see that there is no bottomless pit and that a limit is built into the capital expenditure allocation.

Is there any limit that the city council will accept? Will it accept a limit of £2 million, for example? That figure is way above its original estimate. Does the council say that to have any limit in the Bill would be unacceptable, for the reasons that the hon. Member for Hall Green gave? If the council is not prepared to accept a limit, that throws into doubt all the calculations that have been made.

I do not know whether that matter was covered in the opinion polls and the report sprung on us at the last moment by my hon. Friend the Member for West Bromwich, East (Mr. Snape). None of us had seen a copy of the report. He seems to be the only person to have a copy. I do not know whether money was mentioned in the opinion poll or whether questions about capital expenditure were included. I do not know whether my hon. Friend asked for the report or whether it was offered to him. I should like to know whether the financial side of the race is dealt with in the report.

Mr. Terry Davis: Does my hon. Friend agree that the cost of the report, which has been quoted by my hon. Friend the Member for West Bromwich, East (Mr. Snape), should be included in the costs of the motor race?

Mr. Rooker: Opinion poll companies do not work for nothing. Even those that work for the Labour party do not work for nothing. Someone has to pay for their work. The city council must be paying the bill.

We are talking about £1·5 million of capital expenditure. Like my hon. Friend, I question the city council's priorities. I do not believe that the race is a suitable priority. I intervened during the speech of my hon. Friend the Member for West Bromwich, East only to make the narrow point of whether we need the Bill. The need for a Bill gives us an opportunity to question the city council's priorities. Normally I should not consider doing that. I disagree a great deal with the city council's priorities, whichever party is in control. It is not within my competence, however, to tell the city council that its priorities are wrong and that it should do what I say. In this case, however, it requires the approval of the House of Commons. I am prepared to say that the city council's priorities are wrong. I have the opportunity to do that, and, what is more, I have the opportunity to influence its priorities. It is an opportunity that I do not normally have.

Birmingham does not spend all its capital receipts from housing on housing. This is a highly technical subject, and I do not claim to understand the ins and outs of it all. We could spend all those capital receipts on housing. There is nothing in the legislation to stop us from doing that. Indeed, we should be doing that. That was one of the manifesto commitments upon which the Labour party won the last city council election. We are not doing that. Therefore, I question the expenditure of £1·5 million that could be spent on maintenance and remedying defects in some of the worst housing conditions in Birmingham.

A distinction is drawn along party lines. It is not too late to ask the private sector to put its hands in its pockets. It does so for the greater good of Birmingham and for the benefit of its companies, and I believe that the House should ask it to do so this time. The city council should not be given carte blanche—in effect, an open cheque—by a refusal to accept amendment No. 16. I would not argue with the idea that the other place can include an indexation provision in the Bill, but I should like this House to insert such a proposal.

I accept what the hon. Member for Hall Green said about new clause 1. I accept his integrity. There is no

[Mr. Rooker]

reason why we cannot include new clause 1 and let the other place mess about with the wording and change it. We all agree. The promoters say, "We accept the thrust of the new clause." What is there between us? If things go wrong in the other place, there will not be the opportunity that the House needs to put this right. I am not prepared to leave this provision to the other place. Some Members of the other place are root and branch opposed to the Bill, whatever concessions are given. Others favour the legislation. Who is to say how the votes will be carried?

If we agree on the thrust of the new clause, we should include it in the Bill and make progress with the other amendments. I hope that this will be done with the same friendliness as has been shown so far in the debate.

Mr. Corbett: Presumably, my hon. Friend received a letter from the leader of the city council, Councillor Dick Knowles, in which he gave an undertaking that

"the race shall not take place if an operating loss is still made in the fifth year of the event."

That gives added importance to the question that my hon. Friend has just posed to the hon. Member for Birmingham, Hall Green (Sir R. Eyre): what are we arguing about?

Mr. Rooker: We are arguing about very little. We are arguing about whether to include the provision now or to do so later. I believe that it should be included now. The city council has woken up to some of the points that my colleagues have been making for months. The council has left it until the last minute to seek a meeting of minds. If Conservative Members had taken the same view, either before or just after Second Reading, instead of giving a blank cheque with respect to financial provisions, we would probably not be in this position now. Members of Parliament representing Birmingham and elsewhere agree that there is nothing between us on the point of principle. Therefore, there is nothing to stop us doing the deed and having the technicalities corrected in the other place. After all, the House of Commons is really the upper House, whatever the terminology used by the press to describe the two Houses.

Mr. Terry Davis: I support the new clause and the amendments.

As my hon. Friend the Member for Birmingham, Perry Barr (Mr. Rooker) has explained, there is little difference between us on the new clause. According to its wording, it will be incumbent upon the city council to stop holding a motor race if it is not making a profit after five years. The hon. Member for Birmingham, Hall Green (Sir R. Eyre) says that he accepts the spirit of the new clause. He knows that the city council is anxious to accept it. As my hon. Friend the Member for Birmingham, Erdington (Mr. Corbett) has mentioned, we have received a letter to that effect from Councillor Dick Knowles. There is no disagreement on that point.

There is also no disagreement on the need for separate accounts. Separate accounts are essential if we are to know whether the race is making a profit during those five years. A few months ago, the chairman of the general purposes committee gave us an assurance that accounts would be kept. I am not clear whether accounts have already been kept and whether we can see 1984-85 accounts on the expenditure that has already been incurred, for example, on entertainment of Members of Parliament. I hope that cost is included in the accounts as well as a contribution towards the cost of the survey conducted by some organisation of behalf of the city council. Apparently, the survey's findings have been communicated only to my hon. Friend the Member for West Bromwich, East (Mr. Snape).

Mr. Snape: Will my hon. Friend give way?

Mr. Davis: No.

Mr. Snape *rose*——

9.45 pm

Mr. Davis: All right, I shall give way to my hon. Friend because he seems so upset. Obviously he has more information than hon. Members representing Birmingham.

Mr. Snape: I should like to make two points. First, I have no idea what has been spent on entertaining hon. Members on either side of the House with regard to the Bill. I hope that my hon. Friend will accept that not a penny has been spent on entertaining me, and that that is not the reason behind the attitude that I have taken. Secondly, I have only just noticed that, although the survey was conducted in May, the date on the document is June. I can assume only that it has been published today or recently.

Mr. Davis: I accept my hon. Friend's assurances. I had already guessed that he went to the council house for a briefing this morning, and obtained the document during that meeting.

Mr. Snape: I have to ask my hon. Friend to accept that I did not go to the council house for a briefing this morning. I met somebody from Birmingham city council after a meeting of the west midlands Trades Union Congress that I had attended. It was only because I happened to be in Birmingham this morning that the document became available to me.

Mr. Davis: I knew that my hon. Friend was in Birmingham this morning because he told us how he drove through the constituency of Ladywood. But let that point rest. The important matter is the new clause.

I also leave on one side the need for annual accounts, which is a serious point because the expenditure that has already been incurred should be accounted and set against the income from the motor race.

I agree strongly with the argument advanced by my hon. Friend the Member for Perry Barr. The hon. Member for Hall Green has assured us that the city council will seek to amend the Bill in the other place. But it is not within the power of the city council to amend the Bill. That responsibility rests with the other place. Therefore, it is important for the hon. Gentleman to accept the new clause. If he does not, it will be possible for the new clause drafted by the promoter of the Bill to be rejected by the other place. If it is rejected, the issue will not come back to the House of Commons. The only way in which the House of Commons can be sure of our joint wishes being put into effect is by accepting the new clause, so that, if a different view prevails in the other place, the matter must come back to the House of Commons because the Bill will have been amended since it left the House of Commons.

In no way am I casting aspersions on the integrity of the hon. Member for Hall Green or his assurances. Nevertheless, I cannot understand why the hon.

Gentleman cannot accept the new clause. Then it can be amended in another place to give effect to the accounting expression that he described as being slightly different from the wording that has been used by my hon. Friend. If we accepted the new clause, we could make the progress that hon. Members on both sides would like.

Amendment No. 16 would restrict the city council to a capital expenditure of £1·7 million in 1986.

I should like to deal first with a detailed point because the hon. Member for Hall Green said that the city council told us that it wishes to incur its expenditure over a period of two financial years. That point was not relevant because the expenditure would be in the calendar year 1986 to which the amendment refers. I recognise that the expenditure would fall into the financial years 1985-86 and 1986-87, but it would almost certainly be in the calendar year of 1986. We shall not quibble if some items of capital expenditure are incurred before the end of the calendar year.

An important principle has been advanced by my hon. Friends concerning the confidence that we can have in the figures that have been advanced. I must correct my hon. Friend the Member for Perry Barr, who referred to the estimate of £1·5 million as being at 1984 prices. In fact, that estimate is not given at 1984 prices. It is clear from the information that we have been given that the city council estimated the capital expenditure at August 1984 prices and added 35 per cent. to cover the contingencies and inflation between 1984 and 1986. Therefore, one quarter of the capital estimate of £1·5 million is to cover contingencies and inflation. My hon. Friend the Member for Ladywood is generously adding a further £200,000 to that estimate.

I wonder how much leeway the city council requires. I accept the point of my hon. Friend the Member for Perry Barr, when he asked whether the council would accept a limit of £2 million. What figures does the council have confidence in? There must be a figure which the city council is not prepared to pay for a motor race. I am prepared to accept whatever figure it gives, unless it says £20 million, which is not realistic. It may set the figure at £2 million, £1·7 million or £2·5 million, but there should be a limit.

Alternatively, the city council could accept amendment No. 7 because it goes to the heart of our objections, which relate to the use of the capital allocation by the city council for a motor race. Personally, I would not press amendment No. 7 because the city council has moved a long way towards meeting us. Indeed, it has moved much further towards our position compared with its previous position. It has virtually accepted 90 per cent. of our argument about the need to ensure that £1·5 million will remain available for all the priorities which I share with my hon. Friends the Members for Ladywood and for Perry Barr. Therefore, I urge my hon. Friend the Member for Perry Barr to withdraw amendment No. 7. Although I agree with his original intention to tell the city council to look for external money for capital expenditure, the objective was to meet our objection to the Bill. It was a good idea, but now the city council has gone past that point in its offer to us this afternoon.

On amendment No. 16, I cannot understand why the city council will not accept a limit. I recognise the force of the argument of the hon. Member for Hall Green about unforeseen contingencies and that in the normal course of events it would be unwise to limit the city council in this way. Nevertheless, it shows a remarkable lack of confidence in the council's figures that the council can conceive that the expenditure will be so much more than the estimate. The council must have estimated that the cost would be about £1·2 million. It increased the figure to £1·5 million, and we are adding £200,000. In other words, we are providing a 50 per cent. contingency and inflation fund. How much more inaccurate can the estimates be? If they are more inaccurate than that, I do not think much of the figures, and I would be surprised if the city treasurer thought that he had produced such loose estimates.

I ask the hon. Member for Hall Green, who has been most accommodating in his approach to our amendments, to reconsider the possibility of accepting them.

Sir Reginald Eyre: I wish to reply to the points raised by Opposition Members. I begin by apologising to the hon. Member for Birmingham, Perry Barr (Mr. Rooker) for not having referred to amendment No. 7. I did not hear it called and did not think that it was grouped with the amendments; otherwise I would certainly have spoken to it.

The hon. Member for Birmingham, Hodge Hill (Mr. Davis) showed a degree of reservation about the amendment. It would require the city to raise the initial capital cost externally from sponsorship. It is extremely difficult for the city to accept the amendment because it would prove difficult to raise such funding in advance of the facilities being available to run the race. Sponsorship is much more likely to be related to special events at specific times when such matters as television coverage, timing and races are arranged. A large part of the initial capital cost would not relate to expenditure with which sponsors could identify easily. Sponsorship and advertising income would help to ensure that the race is run at a profit each year, after allowing for the financing of the initial capital cost.

The aims are agreed in the city council's proposal. The initial cost will effectively be funded over a period from race proceeds. I assure the hon. Gentleman that the principle of his amendment is fully accepted. The intention is to recoup the cost of setting up the event from the income that it generates. I ask the hon. Gentleman to accept that it is simply a matter of timing. He is keen to take this money from a sponsor or industry, and I believe that it will be possible to recoup the cost, but it is a matter of timing. The city council believes that it cannot raise that funding in advance of the scheme proceeding and sponsorship beginning to operate.

I should tell the hon. Member for Hodge Hill that amendment No. 4, which is to correct a drafting error, is accepted. The hon. Gentleman says that we must accept amendment No. 16 although we know that it is inaccurate.

Mr. Terry Davis: I am urging the hon. Gentleman to accept a new clause 1 despite the fact that it is inaccurate.

Sir Reginald Eyre: The hon. Gentleman is saying that we should accept new clause 1 and amend it in another place. I am sorry, but I believe that that procedure would be without precedent. It would reflect badly on the House, especially when one considers that there is a difficulty in using the terms of the definition. However, I have given an undertaking on behalf of the city council. I believe that we have settled the matter. I ask him and the hon. Member for Ladywood to accept my undertaking that the matter will be dealt with properly in another place.

Ms. Clare Short: I believe that we should vote on new clause 1 and on amendment No. 16. I accept the hon. Gentleman's integrity and commitment, but undertakings have been given in the House before by Governments, not by Back-Bench Members, which have not been fulfilled. That is why I wish the House to vote on the new clause and the amendment, but I make it clear that I accept the hon. Gentleman's integrity and commitment to accepting the amendments.

Sir Reginald Eyre: I understand the hon. Lady's point, although I am sorry that she wishes to press the matter to a vote.

There is not much more for me to say, except to explain my reasons for rejecting amendment No. 16. The hon. Member for Perry Barr (Mr. Rooker) wants the amendment to be accepted. The difficulty in answering his point, at my present stage of instructions and present responsibility, is the unforeseen incident which might push up the figure. Opposition Members have won substantial concessions, including yearly accountability, a two-year limitation agreed, although not inserted in detail, and five-yearly full accountability. I have done my best to construe those matters in terms that are acceptable to the Opposition, and in view of what the hon. Lady said, I can go no further.

Question put, That the clause be read a Second time:—

The House divided: Ayes 20, Noes 127.

Division No. 245] **[9.59 pm**

AYES

Boyes, Roland
Callaghan, Jim *(Heyw'd & M)*
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cook, Robin F. *(Livingston)*
Davis, Terry *(B'ham, H'ge H'l)*
Eastham, Ken
Evans, John *(St. Helens N)*
Fatchett, Derek
Holland, Stuart *(Vauxhall)*
Lloyd, Tony *(Stretford)*
McDonald, Dr Oonagh
Pavitt, Laurie
Pike, Peter
Powell, Raymond *(Ogmore)*
Rooker, J. W.
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Thompson, J. *(Wansbeck)*
Weetch, Ken

Tellers for the Ayes:
Ms. Clare Short and
Mr. Robin Corbett.

NOES

Alexander, Richard
Aspinwall, Jack
Atkins, Robert *(South Ribble)*
Baker, Nicholas *(N Dorset)*
Batiste, Spencer
Beaumont-Dark, Anthony
Beith, A. J.
Best, Keith
Blackburn, John
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Brandon-Bravo, Martin
Brinton, Tim
Brooke, Hon Peter
Bruce, Malcolm
Bruinvels, Peter
Buck, Sir Antony
Budgen, Nick
Burt, Alistair
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlisle, Rt Hon M. *(W'ton S)*
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Coombs, Simon
Cope, John
Currie, Mrs Edwina
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Durant, Tony
Fenner, Mrs Peggy
Fookes, Miss Janet
Forman, Nigel
Forth, Eric
Fox, Marcus
Franks, Cecil
Freeman, Roger
Gale, Roger
Garel-Jones, Tristan
Golding, John
Gorst, John
Gower, Sir Raymond
Greenway, Harry
Gregory, Conal
Ground, Patrick
Hamilton, Hon A. *(Epsom)*
Hargreaves, Kenneth
Harris, David
Haselhurst, Alan
Hawkins, Sir Paul *(SW N'folk)*
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Hicks, Robert
Howarth, Gerald *(Cannock)*
Jackson, Robert
Johnston, Sir Russell
Jopling, Rt Hon Michael
Key, Robert
Knight, Dame Jill *(Edgbaston)*
Knox, David
Lang, Ian
Lawrence, Ivan
Lee, John *(Pendle)*
Lightbown, David
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
McCurley, Mrs Anna
MacKay, John *(Argyll & Bute)*
Maclean, David John
Madel, David
Major, John
Mather, Carol
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mitchell, David *(NW Hants)*
Monro, Sir Hector
Montgomery, Sir Fergus
Neale, Gerrard
Neubert, Michael
Pollock, Alexander
Powley, John
Proctor, K. Harvey
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rowe, Andrew
Sainsbury, Hon Timothy
St. John-Stevas, Rt Hon N.
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shepherd, Colin *(Hereford)*
Sims, Roger
Skeet, T. H. H.
Smith, Tim *(Beaconsfield)*
Snape, Peter
Soames, Hon Nicholas
Speller, Tony
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stevens, Martin *(Fulham)*
Stewart, Allan *(Eastwood)*
Stradling Thomas, J.
Taylor, Rt Hon John David
Taylor, John *(Solihull)*
Temple-Morris, Peter
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thornton, Malcolm
Thurnham, Peter
Waddington, David
Wakeham, Rt Hon John
Walker, Bill *(T'side N)*
Wall, Sir Patrick
Wallace, James
Wardle, C. *(Bexhill)*
Watts, John
Wells, Bowen *(Hertford)*
Wiggin, Jerry
Winterton, Mrs Ann
Winterton, Nicholas
Wood, Timothy

Tellers for the Noes:
Sir Reginald Eyre and
Mr. Gregory Knight.

Question accordingly negatived.

It being after Ten o'clock, further consideration of the Bill stood adjourned.

To be further considered on Thursday.

European Communities (Definition of Treaties)

[Relevant documents: European Community Documents Nos 9910/82, Commission memorandum on the Community's development policy; 4126/83 on operations of STABEX in 1981; 10505/83 on mining in the ACP States; 7382/84 on the Community and Africa; 10677/84 on operations of STABEX in 1982 and 1983; 6380/85 Draft Decision on the conclusion of the third ACP-EEC Convention of Lomé; and the unnumbered Report of the Court of Auditors on aid to third countries.]

10.10 pm

The Minister for Overseas Development (Mr. Timothy Raison): I beg to move

That the draft European Communities (Definition of Treaties) (Third ACP-EEC Convention of Lomé) Order 1985, which was laid before this House on 23rd May, be approved.

As hon. Members will be aware, the Lomé convention is the treaty which governs economic relations between the European Community and the African, Caribbean and Pacific group of developing countries. The third ACP-EEC convention, or Lomé III as it is commonly known, was signed on 8 December last year and covers the period 1985 to 1990.

The draft Order in Council, to which the motion refers, allows effect to be given to the provisions of the convention in United Kingdom law. This in turn opens the way for ratification of the convention by the United Kingdom. The convention will come into force when it has been ratified by all the member states, the European Community and two thirds of the ACP states. This will probably be early next year.

I am grateful to the Select Committee on European Legislation for agreeing that the debate on the draft order also provides an opportunity to consider other Community documents which it has recommended for debate. I shall not take up the time of the House discussing each of those documents in detail, though I shall deal with points that hon. Members raise when I reply to the debate. However, there are a few general aspects of the documents to which I should draw attention.

By and large, they have been overtaken by, or been subsumed in, the new Lomé convention. This is particularly the case with the Commission memorandum on the Community's development policy, which came to be known as the "Pisani memorandum."

Mr. Peter Pike (Burnley): On a point of order, Mr. Deputy Speaker. Because of the discussion that is taking place among hon. Members assembled just beyond the Bar of the House, I am having difficulty in hearing what the Minister is saying.

Mr. Deputy Speaker (Mr. Ernest Armstrong): I, too, am having some difficulty in hearing the Minister. If hon. Members who are standing beyond the Bar will leave or come into the Chamber, we will get on with the debate.

Mr. Raison: Perhaps they would care to join the debate.

What came to be known as the "Pisani memorandum" was thoroughly discussed by Development and Foreign Ministers in 1982 in preparation for renegotiating the Lomé convention. Some of its main ideas, such as that the Community should promote food security in developing countries and hold a policy dialogue with aid recipients, were pursued in the Community's mandate for the Lomé negotiations. Others, such as improved co-ordination, were the subject of separate Commission proposals.

Similarly, the 1983 review of EEC-ACP relations in the mining sector concluded that, in negotiating the third Lomé convention, the Community should seek to help the ACP to develop its mineral resources and thus also ensure security of supply for Europe.

The Commission's paper on the European Community and Africa did not require Council decisions but provided a timely analysis of recent African experience and the barriers to growth there. The problems of Africa have remained very much to the fore in Community discussions, and the Development Council, on 23 May, reviewed the Community's response to the present crisis.

It is perhaps appropriate for me to clarify the role of the Lomé convention in meeting both the immediate and longer term needs of Africa. For the most part, the Community's role in providing food and emergency relief is financed from the Community budget and does not, therefore, come under the Lomé arrangements. However, one ingredient in the Dublin summit's commitment to provide at least 1·2 million tonnes of cereals was the allocation of £45 million from the emergency provisions of the second Lomé convention. This is now being implemented.

The main contribution of the convention is long-term development. Ninety four per cent. of commitments from the fifth European development fund, under Lomé II, have been made to Africa. These include projects like that at Jebel Marra in the Darfur province of Sudan, which I visited in February. As Commissioner Natali reminded the ACP-EC Council of Ministers in Luxembourg last Friday, the new convention will give added emphasis and finance to such schemes.

The Court of Auditors report on the co-ordination of Community aid to third countries is a useful reminder of the benefits which increased co-ordination of aid can bring. I share the Commission's hope that the policy dialogue provided for in Lomé III will improve aid co-ordination.

The Development Council has devoted continued attention to co-ordination, adopting at its meeting on 23 May a format for joint aid reports by the missions of Community member states and the Commission in developing countries.

Finally, I should mention specifically the decision enabling the Council and the Commission to conclude the third Lomé convention on behalf of the EEC itself and of the European Coal and Steel Community. This must be approved by the Council before the convention can enter into force. The Government have no difficulty with the proposal, which is a matter of common sense. As I have said, I should be happy to deal more fully with these documents in winding up if hon. Members wish.

Ten years since the first Lomé convention was signed, this is a good time to take stock. Ten years ago the convention was seen by many as a new way of organising and managing relations between rich and poor countries. What has been the record? We have to recognise that development in many ACP countries has slowed or gone into reverse. The proportion of the Community's trade going to the ACP compared with the rest of the world has diminished. The share of ACP exports taken by the

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Community market has also dropped. We have ourselves expressed concern about the quality of aid from the European development fund.

Against this, it is clear that the convention constitutes a form of co-operation that is valued on both sides. It cannot guarantee that world trade will grow. But it does offer the ACP states free access to the Community market for 95 per cent. of their exports to the Community, and they receive assurances of substantial long-term aid commitments. For the member states, Lomé provides a European dimension to our overseas aid programmes. Moreover, 35 of the 66 ACP states are members of the Commonwealth, which thus gain privileged access to European markets and European aid through the convention.

Against this background one of our main goals in negotiating the new convention was to get a more effective instrument of development, and I think that this is reflected in the third convention.

The main objectives are clearly set out in a new introductory section: there are tighter procedures for planning EDF aid; stronger provisions for appraising and evaluating projects; a new provision to allow for fast disbursement of aid to maintain existing investments; a new chapter on drought and desertification; more stress on promoting investments; and throughout there is a strong and welcome emphasis on food production and agricultural development. That reflects the priority I gave in the negotiations to food security, and the final text incorporates most of the substance of what I proposed.

Underlying those improvements is the basic thrust of the arguments in Mr. Pisani's memorandum: that the Lomé partners share a common interest in following policies which lead to much better rates of economic growth and more balanced forms of growth than we have seen in the past. There is no sense in pouring large sums of money into projects which are plainly unsuited to the economic, geographic or climatic conditions of the country concerned—"building cathedrals in the desert," as Commissioner Pisani once put it. Nor is it productive to provide aid in sectors where mistaken policies are being pursued or where overall economic policies counteract the potential benefits of an aid project.

This is a sensitive area. The ACP states rejected the Community's initial proposals for a "policy dialogue", fearing that they would result in what they felt to be unwarranted interference in their internal policies. I cannot pretend that the wording eventually agreed is ideal. Whether or not it enables the Community to concentrate its aid on those countries and on those sectors in which viable economic policies are being pursued still remains to be seen. We have made clear to the new Commissioner, Mr. Natali, our strong commitment to the principles on which the Community negotiated, and he has assured me of his own commitment to them. The first missions to programme EDF funds will leave Brussels in July, and we shall support and encourage them to the best of our ability.

But the task of making the convention a more effective instrument for promoting the development of the ACP states cannot rest with the EEC alone. Many of the ACP states themselves now realise that their inability to feed their own populations and their consequent dependence on imported food is a major handicap in their struggle to improve living standards. That handicap can be overcome only by developing coherent long-term policies and strategies, and that must be the responsibility of the Governments concerned,. The Lomé relationship, as has been frequently stressed, is one of partnership—a team effort in which all participants share responsibility.

The emphasis in Lomé III on the greater effectiveness of Community aid has resulted in a move towards Community support for key sectors or policy programmes rather than individual projects. Food strategies are one example—we have them for Mali, Zambia, Kenya and Rwanda. The fight against drought and desertification is another. Both areas are given prominence in the convention with a complete new chapter being devoted to long-term efforts to combat drought and desertification.

As a corollary to the shift of focus from individual projects to policy programmes, the convention also stresses the importance of regional co-operation and programmes intended to help more than one ACP state. The Community—itself a group of sovereign states—may often be better placed to provide assistance for such schemes than individual member states acting alone.

The total financial allocation for the sixth European development fund has been established at 7·5 billion ecu, or £4,438 million. The size of EDF VI was, not surprisingly, a central feature of the negotiations for the ACP states, and they felt bound to express their disappointment at the outcome. I think, however, that they will soon come to realise that the offer is remarkably generous. EDF VI will be 60 per cent. larger than EDF V. That represents more than maintenance of value in real terms at a time when most other multilateral aid organisations have been obliged to restrain or cut back their budgets. In addition, up to 1·1 billion ecu—£651 million—will be made available to the ACP states in the form of loans from the European Investment Bank's own resources.

As hon. Members are aware, the Government are firmly of the view that no amount of development aid can substitute for improving trade links between the developed and the developing world. The long-term economic security of the ACP states depends on their ability to increase trade flows by finding new markets for their goods. The ACP states themselves realise this. The income earned by the ACP states from trade with the Community is two to three times greater than the financial flows resulting from aid from all sources, and more than 30 times as great as EDF aid alone. We therefore argued throughout the negotiations for further improvements in access to Community markets for ACP goods and for the removal of all remaining duties on agricultural products.

Most member states were prepared to see a relaxation of controls on some products, though not in cases where member states' agricultural produce competed most directly with that of the ACP countries. We were able to achieve agreement that in future ACP requests for improved access for particular products will receive a more rapid response. In considering those requests the Community will take account of concessions granted to other developing countries. We shall work hard to make a reality of that undertaking. It would have been better for the ACP had we been able to do more. Nevertheless, the existing Lomé trade arrangements are probably the most liberal on offer to any group of developing countries.

One significant improvement which we were able to obtain was relaxation and simplification of the convention's rules of origin.

I should also mention that the special trade arrangements for sugar, bananas, beef and rum—which are of particular importance for Commonwealth ACP states—have all been consolidated or improved in the new convention. On sugar, bananas, beef and rum, we had to fight hard to maintain the preferential access for our Commonwealth partners to the Community market which was provided under Lomé II. We were successful. Indeed, on rum we managed to obtain a substantial increase in the growth rate of duty-free quotas for the rest of the Community and a minimum Community import level of 170,000 hectolitres at the expense of a slight decrease in the growth rate of the quota for the United Kingdom market.

In addition to trade and aid, private investment has an essential role to play in developing ACP economies. I was delighted to find greater awareness than ever before amongst the ACP states of the need to create and maintain a stable investment climate. This attitude is reflected in the provisions of the investment chapter of the convention which is much more substantial than its predecessor.

Lomé III, like its predecessors, offers British business an opportunity to participate in the development partnership. Over the past few years, British business has won a growing share of EDF contracts. For the first time, in the first quarter of this year the percentage of EDF V contracts placed in Europe which were won by British businesses rose above 20 per cent. That is a good achievement. It recognises the quality and expertise which this country has to offer, but we can do better still. As they become better acquainted with administrative procedures in Brussels and in the ACP states, British firms will be better placed than ever to improve their performance under EDF VI. Firms which have not yet tendered for EDF contracts should not be deterred by unfamiliar procedures and requests. Their perseverance will, I am sure, be well rewarded.

Before concluding, I should like to take this opportunity to extend a welcome to the new members of the Lomé partnership. Angola and Mozambique played a full part in the negotiations and both countries have now signed the new convention. An additional protocol to the convention will drafted to provide for the accession of Spain and Portugal, both of which have agreed during the enlargement negotiations to shoulder their share of the financial burden.

I should like to end on what I am sure will be a point of particular pleasure for the House, especially the hon. Member for Inverness, Nairn and Lochaber (Sir R. Johnston). One of the innovations contained in the new convention is the amalgamation of the ACP-EEC consultative assembly and its joint committee into a new joint assembly, composed of Members of the European Parliament and Members of Parliament or designated representatives of the ACP states. I am delighted to inform the House that the United Kingdom Members of the European Parliament have persuaded the joint assembly to hold its first meeting in Inverness this summer. It will be the first time that a meeting of this type has been held in the United Kingdom, and we very much look forward to welcoming delegates to this country.

10.28 pm

Mr. Stuart Holland (Vauxhall): It is widely recognised that the first Lomé agreement was a successor to the Yaoundé agreements, which were dominated by the need to accommodate the interests of former French and Belgian colonial territories in Africa. The agreement was widely criticised at the time, but Lomé I was seen as a major and path-breaking step forward. It is of some relevance to the criticisms that we shall make of the Government's attitude to Lomé III to observe the conditions under which Lomé I was achieved.

There was considerable confidence among commodity producers following the success of OPEC in raising oil prices, and there was some disarray among some Community countries at the time, which were not sure to what extent other commodity producers might manage to gain similar advantages. There also was political support for Lomé I and the interests of Third world countries, such as that shown by my right hon. Friend the Member for Clydesdale (Dame J. Hart)—then Minister for Overseas Development—who very much regrets that she cannot be with us tonight, Claude Cheysson of the EEC commission and Jan Pronk, the Minister for Development in the Netherlands. In other words, there was a pull from the ACP countries and a push from Europe.

However, those high hopes were not fulfilled. They did not work out, for various reasons. There was not enough money and the Stabex commodity scheme was too small and had too limited a range of products. By the time of Lomé II, optimism had faded. In the event, Lomé II closely resembled Lomé I in form, but not in substance. The only substantial innovation was the introduction of the Sysmin scheme for financing the rehabilitation of ACP mining industries. There was no specific fund for industrial development and in real per capita terms, the decline in European investment bank and European development fund money was about 20 per cent.

The Minister stressed that as we approach Lomé III, the economies of several of the countries concerned are in a precarious state. It also is worth stressing that the group contains more than two thirds of the world's least developed countries. Key social indicators such as literacy, school enrolment, life expectancy and child death rates are among the worst in the world.

The size of the Lomé countries is not so great in the global economy. They represent about 12 per cent. of the Third world's population. India alone has about twice the population of the ACP countries. However, the deprivation, poverty and backwardness of those countries and their lack of productive structure is recognised on both sides of the House as a severe handicap. Therefore, it is critical that in facing the challenge of the global crisis, the challenge of trade and the challenge of a renewal of the Lomé agreement, there should have been more than an adequate response from the EEC to the needs and demands of the ACP countries.

As the Minister said, the EEC response has been 7·5 billion ecus, with about 1·1 billion from the EIB. But the total of 8·6 billion ecus will only just preserve the Lomé II levels, taking inflation into account. It will not preserve those levels if population increase is recognised. It would need 10 billion ecus to get back to the levels of Lomé I. That is against a background in which the ACP countries, as illustrated by the Lords Select Committee report and other sources, have been asking for 11 billion ecus. Therefore, there have been cuts.

Have the Government been pushing for the higher sums or arguing for the lower sums, as they recently pressed for a £22 million cut in the EEC food aid budget for next year? What has been the Government's role during the

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negotiations? Did they fight in the Community for the higher figure or were they—as we understand that they were—the mean men of Europe, paying lip service to the problems, but not putting the resources where they are needed?

There is also the key issue, to which the Minister did not address himself, of the pace of Lomé procedures—slow, slower and stop, as they are widely known in many countries. Despite what the Minister said, funds remain unspent from the days prior to Lomé I in 1975-80. In March 1984, just one year before Lomé II expired, only 20 per cent. of its aid funds had been spent and only 50 per cent. had been committed.

The fund established under the Sysmin scheme in Lomé II for assisting the mining industries of ACP states has been notoriously slow. At the beginning of this year, only one third of its 282 million ecus had been committed and only a very small amount spent.

We recognise that Lomé III introduces a range of measures to speed up the aid cycle of EC, and those are to be welcomed. We trust that they will also be adhered to. European Economic Community procedures are certainly over bureaucratic, and the understaffing of the directorate general for development of the Commission certainly does not help.

We also recognise that some of the responsibility for slow aid spending rests with the ACP states, but we trust that the Minister also agrees that in many cases they are administratively weak and that recently they have been overwhelmed, especially in Africa, by the scale of the drought crisis. Technical assistance to some extent can overcome this constraint, but a better relationship between ACP programmes and other programmes and the adequate funding of some other programmes is also important if the ACP framework and the Lomé convention are to succeed.

The Minister referred to ex-Commissioner Pisani's reference to cathedrals in the desert—not original for ex-Commissioner Pisani. Many such cathedrals in the desert have been found in southern Italy by some critics. But we recognise the point. In many cases the preference for mega-projects versus micro-projects has done little to help agricultural development. The sectoral focus of the new Lomé convention is very much open to question. Precisely how the strategic approach will work is not yet clear. The European Community is involved in the pursuit of food sector strategies already, with the Governments of Mali, Ruanda, Zambia and Kenya. This approach may hold the promise of poverty-focused, better quality aid, but to be effective it is essential that the community should get the backing of individual member states rather than that the Government should drag their feet, as they have, over providing resources for those projects.

Mr. Andrew Rowe (Mid-Kent): I am very much a tyro in this debate and am learning as it proceeds. If the Labour party were to form the next Government and took Britain out of Europe, would that strengthen or weaken our contribution to Lomé?

Mr. Holland: I think the hon. Gentleman said that he is an amateur in this kind of debate. If he followed Labour party policy he would see that it wishes to work with other European countries not only to counter the drought problem but to promote economic recovery and trade with Third world countries. I have just been to a conference in Sweden that was attended by many other parties, several of which are in Government. Those parties — for example, the Italian Government—have been pushing for an increase in aid programme resources at a time when the British Government have been dragging their feet and proposing cuts in European food aid.

Returning to the link between emergency aid and development aid, it is important that there should be a proper link. Lomé II had an emergency aid budget of about 202 million ecus. During Lomé II the European Commmunity refused to use this money for longer term rehabilitation and development after the emergency had passed, and a period of six months was stipulated. In Lomé III the energency aid is split into 210 million ecus for emergencies and 90 million ecus for refugees. The latter can be used for the long term integration of refugees, through the provision of tools and equipment, seeds and so on.

This is to be welcomed, but it does not go far enough, not least because the finance is a pittance. It is just over 4 ecus per head for Africa's refugees. Both the ACP and European non-Governmental organisations want the concepts and procedures of emergency aid to be modified to include long term developments and activities. At a more general level, given the drought situation in parts of Africa, the transition from emergency to development aid is one of the key problems of the day. But the Government are not adequately addressing it. They have not been supporting the Commission's proposals for food aid and are not supporting the ACP countries over the higher resources that they wish to be allocated to longer term agricultural development.

We also have to question the sector strategies. The food strategies, especially with their reliance upon small-scale farming, are excellent in themselves but do not admit the kind of problems that ACP countries are facing over some of the commodities to which the Minister referred at the end of his speech. For example, one of the problems with bananas is that that product is distributed on the world market by a handful of companies, and very little of the income goes to the producers. On average, producers receive only just over 10 per cent. of the final value of the bananas that are sold in the shops. The ripeners receive over 20 per cent. and the retailers receive 30 per cent. The income that goes to those who produce the bananas is a fraction of the 10 per cent. That is the underlying type of problem with commodities. It is not just STABEX or commodity stabilisation. It is a great problem for the ACP countries and is not addressed adequately by Lomé.

Lomé also is contradicted by the EEC's common agricultural policy. One of the ways in which Lomé is designed to promote the development of the ACP is through supporting both trade with the Community and ACP exports to the rest of the world. But that objective is undermined by the operation of the CAP.

Agricultural protectionism bars a range of ACP exports to the Community market. The United Kingdom Government have failed to have those barriers removed during the Lomé III negotiations. Botswana in southern Africa and Burkina Faso in western Africa claim to have lost regional markets for beef exports due to subsidised EEC beef exports. I have been to Burkina Faso, and I trust that the Minister has been there. It is, as the Minister will be aware, one of the poorest countries of Africa. It is

wracked by drought and desertification. For the EEC's beef exports to be undermining the export trade of that country contradicts the objectives of Lomé.

Similarly, the annual sale of about 5 million tonnes of EEC beet sugar on world markets has contributed to the decline in world sugar prices to their lowest level for 15 years. That has robbed acutely dependent traditional ACP cane exporters in the Caribbean of their markets. Those policies are detrimental to the development of EEC, ACP and intra-ACP trade and should be reviewed as a matter of priority.

The EEC has also produced large grain and dairy surpluses which, in the form of food aid, have contributed to the undermining of Africa's food self-sufficiency. The directorate general for development of the Commission has been trying to reduce the negative impact of non-emergency food aid. The development council adopted a policy in 1983 which would introduce into Lomé III a stipulation that food aid must be integrated into the recipient's development policy, that financial assistance can replace food aid in some circumstances and that the EEC will continue a policy of triangular operations—in other words, buying foodstuffs in Third world countries to supply other Third world countries.

Those measures are to be welcomed. However, when the exceptional demand for food aid caused by the famine subsides there will be a strong temptation to keep food aid at the exceptionally high current levels. That must be resisted and the adopted policies must be adhered to.

More importantly, the growing EEC-US trade conflict over subsidised grain sales has crucial implications for the prospect of food self-sufficiency in Africa and the ACP in general. Should a price war break out and the international market become flooded with cheap grain, it will undermine the will of Governments to undertake the difficult reforms of agriculture designed to increase the participation of peasant farmers in national food production.

In that respect, it is relevant to refer to the role of other agencies which operate in ACP territories. That refers especially to the International Food and Development Agency. Granted that IFAD does good work—I am sure that is admitted by both sides of the House—that every £1 the United Kingdom puts into that IFAD leads to a procurement in the United Kingdom of £2, granted that Great Britain has the highest rate of procurement and that one third of IFAD's work is in Commonwealth countries, why are the Government not supporting IFAD and aiming for at least a $30 million replenishment over a four-year period?

If lip service is paid to the general objectives of the ACP arrangements, whereas in reality the Government are not prepared to put their money where their mouth is for long-term agricultural development, the Government will be taking with one hand while giving with the other.

Mr. Mark Robinson (Newport, West): The hon. Gentleman has given us a catalogue of suggestions for increased resources. If I read his criticism of the agreement that has been put together correctly, it is that the Government did not argue strongly enough in many sectors for additional increased resources. Is it the Labour party's policy that there should be increased resources for all the sectors to which the hon. Gentleman referred? This is only a small part of our overall aid package. Is this the focus of the Labour party's policy, or does the hon. Gentleman believe that this should be extended across the aid board? Would the Labour Government have the funds to achieve this aim?

Mr. Holland: It might have been a good idea if the hon. Gentleman had attended the recent debate during which I was asked basically the same question by a Conservative Member. He asked what the Labour party was going to do. It is the Labour party's policy to increase aid as a proportion of GNP to 0·7 per cent. within the lifetime of one Parliament and to aim at 1 per cent. Granted the way in which the Conservative party has cut the aid programme to 0·33 per cent., which is the lowest level recorded since we started a development and aid programme in Britain, that would give us tremendous resources to disperse in other countries. It would amount to an increase in spending in current terms of about £1 billion over the lifetime of the Parliament. We certainly would have no problem in supporting the replenishment of IFAD and IDA. As for food aid and agricultural programmes in ACP countries, we certainly would want to be able to match the Socialist-led Government in Italy and their increase in the aid programme within the Community framework rather than follow the lead of this Government who have introduced cuts.

I do not want to delay the House long on a detailed analysis of the various proposals in Lomé III, but STABEX is especially important. Under Lomé III, it has received 925 million ecu, but only three new products have been added to the list of 45 ACP products covered by the scheme. The ACP—the Minister did not point this out—had demanded that more than 40 new products should be added. In line with the EEC's line on financial rigour, the administration of STABEX has been considerably tightened—at least on paper—and ACP is now required to furnish much more information, reporting on the use to which STABEX funds are put. We recognise that there is the so-called "fangibility problem", which was popularised by Hans Singer, about the tracing of the precise use of STABEX resources. In practice, STABEX has been benefiting only some commodity producers. Over the years, these have tended to be the more affluent among the ACP countries.

There are basically three problems with STABEX. First, it is useful because in principle it rapidly responds to genuine needs arising from fallen export revenues in export states. But the introduction of bureaucratic procedures is likely to slow down the process and dilute the value of its transfers. Secondly, although the Government recognise that there is the fungibility problem, it is not clear how the EEC will in practice monitor the use of STABEX funds. Thirdly, the wisdom of investments in export commodities, currently in structural surplus in the international economy, has to be questioned. Emphasis in many of the ACP states has to be on the use of resources for diversification rather than on continued commodity support.

Also, STABEX provides no more than partial compensation for falling export revenues. In 1980 and 1981, the available funds met only 52·8 per cent. and 42·8 per cent. respectively of legitimate ACP claims. that is a 50 per cent. success record. The ACP is still seeking to be reimbursed for the shortfall. STABEX cannot replace commodity agreements designed to stabilise prices and does not undermine the rationale for increasing the size of straight loan compensatory finance facilities. UNCTAD

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work on a global compensatory fund requires the serious attention of the European donor states and should command the Government's support.

There are a number of interesting dimensions to Lomé III that certainly were not in Lomé II or Lomé I. One concerned the role of women in the Third world and the ACP countries. Several resolutions in the European Parliament, and the resolution adopted by the development council in November 1982, have recognised the crucial role played by women in the economies of the Third world, especially in the rural sector where they work as unpaid labour. Article 123 of Lomé III for the first time specifically recognises that, and proposes that women in the ACP should gain access to training, technology, credit and co-operative organisations themselves, of their own right, and not simply through the male head of the household, or through male peasant farmers. That is welcome, since EEC aid, along with most aid, has tended to ignore the critical, indeed overwhelming, role played by women labour in the rural sector in Third world countries.

If the EEC is serious about supporting efforts towards food self-sufficiency in the ACP states, women will have to be the main beneficiaries of aid programmes. However, the Minister was talking about the progress that some of the ACP countries could make by better acquainting themselves with EEC procedures in Brussels. The women may have some difficulty. A women's unit was introduced in DG8 in 1982, but with only one woman member of staff. Only a handful of the 58 EEC delegates abroad are women. The participation of women in the EEC aid programme both in the EEC itself, in Brussels, and in the ACP, must now be strengthened, as I am sure my hon. Friend the Member for Cynon Valley (Mrs. Clwyd) will agree.

There is also the attitude that Lomé has taken in relation to apartheid. Despite the opposition of the British Government—I stress that—article 4, annex 1, of Lomé III pledges the ACP member states

"to work effectively for the eradication of apartheid, which constitutes a violation of human rights and an affront to human dignity."

Since Lomé III was signed, pressure has been mounting in Europe and the United States for Governments to take a firmer stand against apartheid. The United States Congress has proposed economic sanctions against the Pretoria regime. At the April plenary session of the European Parliament, a Socialist-sponsored motion was adopted by the 434 members of the advisory assembly. The resolution advocates the ending of investment in South Africa, the halting of state guaranteed bank loans for export financing and the reducing of commercial contacts and relations. The resolution also advocated strict adherence to the United Nations arms embargo and the suspension of sporting and cultural contacts.

The EEC Commission has declared itself willing to consider any measure

"that will bring South Africa to its senses."

It has formally requested the EEC states to consider appropriate action against South Africa. EEC Foreign Ministers have also agreed to meet their counterparts in the front line states of southern Africa. It is crucial that this Government, the British Government, with the special links that we have had with South Africa in the past, should be seen to be supporting such sanctions against South Africa, and give substance to the commitments made by the EEC Governments in Lomé III.

A further point concerns the ACP and EEC enlargement. While the Minister welcomed new members to the ACP, and while I welcome new members to the European Community, it is clear that there will be problems. Spain and Portugal signed the treaty of accession on 12 June this year. The EEC tends to emphasise the positive opportunities for ACP trade with the Spanish and Portuguese markets, although in practice it is doubtful whether those countries will switch from traditional Latin American suppliers of raw materials and commodities.

However, the ACP is concerned that Spain will displace a range of ACP exports in the EEC market, particularly fruit and vegetables, leather goods, wood products, textiles and aluminium. One particular problem concerns the export of ACP sugar to Portugal. The ACP currently supplies about 120,000 tonnes of cane sugar to Portugal, and Portugal requested an import quota of 200,000 tonnes during the initial seven-year transition period. However, the Community has insisted upon 75,000 tonnes of cane sugar at a reduced levy over those seven years. Thus a large proportion of ACP sugar exports to Portugal will be wiped out at a stroke, while Portugal comes under increasing pressure to consume EEC beet sugar. It is possible that ACP sugar exports to Portugal will disappear altogether after the transition period.

As we understand it, the United Kingdom Government tried to increase the 75,000 tonne quota allocated to Portugal—where we observe that Tate and Lyle has four refineries—but failed to do so. The lip service that the Minister is paying regarding those commodities appears to be contradicted by the facts.

Lomé III introduces a consultative mechanism for discussing such ACP concerns about EC enlargement. It is essential that the EC enters into a meaningful dialogue with and gives a sympathetic hearing to ACP countries on these matters.

Overall, Lomé III has been mixed. It has had items of remarkable interest, not pressed by this or other Conservative Governments in the EC, but demanded, as in Lomé I, by third world countries, in this case ACP countries themselves. The Minister ended his speech by referring to the role of Commonwealth countries within the ACP. Certainly, at a time when the global multilateralists approach through the United Nations has been blocked in too many cases by the United States, whether regarding IDA replenishment, the law of the sea or other measures, it is especially important that regional groupings such as the ACP and the Commonwealth, play a positive role in bridging the gap that has been left by the derogation of the United States of its international responsibilities for development.

The Minister referred to the importance of trade, and to the fact that trade alone is 30 times the EDF aid contribution. But we need a recovery programme to promote that trade. The Government have responded with a low Lomé. They have opted for the lower figures, and the cautious and inherently conservative approach. When it came to proposals from the Commonwealth, as made, for example, at New Delhi in 1983, the Government did not even say yes to a low recovery programme, but no. That is why in practice we have reservations about Lomé III and are critical of the role that the Government have

played in its negotiation. There has been no response to the genuine needs of Third world countries, such as was shown in the negotiation of Lomé I, by Claude Cheysson, Jan Pronk and my right hon. Friend the Member for Clydesdale. For that reason, although we shall not oppose the order and although we wish the ACP countries well in achieving the ambitious objectives of Lomé III, we criticise the Government's response to those demands and the way in which they have negotiated during the past 14 months.

10.57 pm

Mr. Bowen Wells (Hertford and Stortford): It is sad that this seems to be the only debate that we shall have on the Lomé convention and its signature. I sincerely hope that the Opposition and my right hon. Friend the Minister will press for a longer debate. Although I do not criticise the hon. Member for Vauxhall (Mr. Holland) for taking fully half an hour of a one and a half hour debate on this important subject, the time allotted to the House is too short for this important question.

Although the Lomé conventions have anticipated trying to increase trade with the ACP countries, they have succeeded in reducing the volume of trade that the ACP countries have enjoyed with the European Community. In 1974, 17 per cent. of the European Community's imports came from ACP countries. By 1982, only 13·8 per cent. of total imports into the EC came from ACP countries. Therefore, despite the intent of the Lomé agreements entered into by the right hon. Member for Clydesdale (Dame J. Hart) and others, the agreements have failed to increase trade with ACP countries. That is a stark fact, and from that background we should approach our approval or lack of it for Lomé III.

Unfortunately, Lomé III does not alter the position. Indeed, the trade provisions have been translated straight from Lomé II into Lomé III and, therefore, there has not been much improvement on that.

I shall confine my remarks to one or two observations rather than try to make an overall assessment of the Lomé III agreement. First, I mention the promotion of dialogue by the EC and the rejection of that by the ACP countries on the grounds that we were interfering in their internal affairs. If there is to be a relationship between the EC and the countries that we are trying to help, there must be agreement on the economic backgrounds at which they are aiming so that the projects financed by the EC fit into the pattern that is agreed between the partners in the development of trade and infrastructure. To reject that sensible approach is a retrograde step.

The way in which human rights are dealt with in those countries was severely watered down by the ACP countries' negotiators, although my right hon. Friend managed to get into the preamble of the convention a reaffirmation of the contracting partners' adherence to the United Nations charter and their faith in fundamental human rights. During the three Lomé agreements, EC aid persisted to countries which were in flagrant violation of human rights conventions and all decent human behaviour. I remind the House especially of Uganda under President Amin, when EC assistance persisted unabated to that regime. More controversially, EC aid continued to the Grenada revolutionary government.

Hon. Members are in serious difficulties when they try to find out what is happening to the administration of the EDF by DG8 in Brussels. All that we get from my right hon. Friend in answer to questions is that he does not know, because these are the responsibilities of the European Community, not his. We allocate a large sum from our ODA budget to those people in Brussels and then forget about it. We do not ask, nor do we know, how it is being administered. We cannot ask questions or get sensible and properly detailed replies.

Mr. Tom Clarke (Monklands, West): I was interested to hear the hon. Gentleman's comments about the aid given to Uganda during Idi Amin's regime, but I expected him to deal with the present position there. I hope that he will not disappoint the House in that respect.

Mr. Wells: I am being invited to take more of the House's time. I hope that it will not be to the disadvantage of the hon. Member for Monklands, West (Mr. Clarke), who will wish to speak in the debate. The present position in Uganda is equally horrific, as far as I can gather, especially from reports in *The Sunday Times* this weekend. We must re-examine our bilateral aid in that connection, and the fact that we are stepping up bilateral aid to a regime that is obviously unable to control what is happening in terms of human rights.

I should deal briefly with co-ordination. It is terrible that, in some overseas countries, the EC representative is often in competition with bilateral aid representatives, such as the ODA development division or the diplomatic mission from France, in respect of funding projects. If the host country cannot get money from anywhere else, it will go, reluctantly, to the EC, which gets the worst projects that no one else will pick up. Of course, the EC picks them up with alacrity. However, the host country does not go to the EC in the first place, because the administration of programmes by Brussels is, to say the least, Byzantine. Indeed, the word "Byzantine" could be overtaken in modern parlance by the word "EC-tine", if that is not too horrible a word.

It takes endless time to negotiate money out of the Community. I refer the House to the extraordinary behaviour of the Community on replacement aircraft for the Leeward Islands Air Transport. After immense investigation, it recommended that it would not supply the aircraft requested—the British Aerospace 748—but that it would supply an aircraft which had not yet been built or tested—and in two years' time, although the Caribbean islands wanted it to support their tourist trade this year. Extraordinary administration and rules can result in extraordinary decisions. I hope that my right hon. Friend will increase his supervision of the programme and sort out the administration in Brussels so that it works properly.

What is meant by the new chapter on sociocultural co-operation? I have no idea what it means. If it means that more money will seep into the sand by spending it on beautiful girls dancing with hoolahoops in the Pacific or under flaming swords in the Caribbean, I do not think that is a proper way to spend money.

I support what the hon. Member for Vauxhall said about sugar. Events in connection with Portugal are a disgrace. We export sugar and depress the world market, so not enabling countries to earn their own living. That is something that we must redress, and it is worth far more than the money coming through the EEC.

The multi-fibre arrangement is a restriction on trade by the Community which is unjustified by the figures. The EEC may fear competition from within its ranks, in particular in Britain or from north America, but not from Commonwealth countries or the poorest countries in the world.

We must consider the whole of the package in relation to our whole aid budget. We are in extreme difficulty because of the contraction of the budget. The effect of that contraction is serious. The amount of money devoted to multilateral aid, including EEC aid, has increased from about 19 per cent. of our bilateral aid budget five years ago to nearly 45 per cent. That explains why we have had to

be a little parsimonious in relation to the agreement. It also explains why we are pushed in every other way in our bilateral aid programme.

We have no alternative but to press the Government to increase the resources available to the ODA budget. The way to start is to replace the £100 million spent extraordinarily last year on aid to sub-Saharan Africa so that that extra amount is available for bilateral aid.

Much more could be said about the Lomé agreement, but I cannot sit down before congratulating my right hon. Friend on the way in which he has negotiated the agreement, which will provide major benefits to some of the poorest countries in the world.

11.8 pm

Sir Russell Johnston (Inverness, Nairn and Lochaber): I pay tribute to the hon. Member for Hertford and Stortford (Mr. Wells). His knowledge and concern about such matters are special and deserve recognition. Time is short and I shall try to be brief. The hon. Member is right to criticise the usual channels, or the Government — or whoever determines the length of our debates.

Mr. Stuart Holland: The Government.

Sir Russell Johnston: I have no reason to dispute that the Government determine the length of debates.

As the hon. Member for Vauxhall (Mr. Holland) said, the sad aspect of the debate is that, despite the reference to women and other matters, Lomé III is not fundamentally different from Lomé II. The EDF is much the same, allowing for population growth and inflation. ACP exports are not in a notably more favourable position. Indeed, as the Minister said, they have even declined. However, in fairness, it must be said that the United Kingdom adopted a more flexible position than other countries—partly as a reflection of our less significant agricultural sector. I admit to a certain amount of cynicism in these matters. I suspect that if we faced the same agricultural pressures as the French, we would probably take the same attitude. Therefore, it is not really all that fancy to take a superior view.

The Alliance believes that the Community has failed in the negotiations to respond to the gathering Third world crisis that has been so well summed up in Brandt 1 and Brandt 2. We have had caution where a certain amount of boldness was required and prudence where generosity was needed.

The Minister said—and I agree with him—that trade is the touchstone of a genuine wish to help the developing countries within the ACP to achieve progress in a developing world, and it was certainly a prime objective of the negotiations. There was the resistance of France, Italy and the other southern European countries to any openness about CAP product competition. That is understandable, but it means that the trade balance between Lomé and the EEC has moved very much towards the EEC.

I understand that the ACP countries were looking for 10 billion ecu for aid, but received 7·4 billion. That reduction was, in the main, due to the resistance of the British and the Germans. That is regrettable. The Minister has his perpetual look of slight puzzlement——

Mr. Raison: How the hon. Gentleman can talk about a reduction when there was a 60 per cent. increase baffles me. That was why I was looking puzzled.

Sir Russell Johnston: Statistics can be made to prove almost anything. I certainly do not think that, in real terms, aid has been increased by 60 per cent. If we take into account population growth and inflation, that sort of figure is not real. For a Minister who is part of a Government who have cut back the United Kingdom's aid contribution to its lowest point to say that is not to be reasonable.

I wish to make two brief points to underline what has been said by other hon. Members. First, I hope that the Minister will say something about the pace of procedures, which the hon. Member for Vauxhall rightly criticised. As we are supposed to be the efficient part of the world, surely we should be able to do something about that.

Secondly, I admit to being equivocal about the issue of dialogue and human rights raised by the hon. Member for Hertford and Stortford. It is natural to say when looking at Amin — or, now Obote — that we should not be helping such a tyrannical Government. At the same time, I find it difficult to accept the argument that some poor peasant's irrigation will be stopped because he is unlucky enough to be saddled with a tyrannical Government. This is not a simple issue and it will never have a pat solution. I appreciate the Government's difficulty but that difficulty would exist in any event.

Although the hon. Member for Vauxhall was right to say that general commodity agreements would have been better, STABEX was an inspired concept. It made a notable difference and could have made more of a difference. Only a minority of ACP countries have been major recipients, and the fund, as has been said, has been severely under-financed.

It is regrettable that there has been no evident improvement as a consequence of Lomé III in the funding and extent of STABEX, and that also represents a criticism of the commitment of the EC countries to the the development of trade, because the two aspects are inextricable.

I said that the Lomé concept was good, even if many of the poor countries were excluded for historical reasons, but I cannot say that we have succeeded in seeing a sustained advance through Lomé I to III, and part—I agree not all—of the responsibility for that rests on Her Majesty's Government.

To end on a positive note, I respond happily to the Minister's reference to the impending Lomé assembly in Inverness. It is greatly to be welcomed that such international conferences are not to be confined to the metropolitan centres of the United Kingdom. At Eden Court, Inverness has the most modern theatre in the United Kingdom. and I know that the ACP and European Parliament representatives will find in Inverness not only a warm Highland welcome but facilities second to none.

11.17 pm

Mr. Eric Deakins (Walthamstow): I, too, will be brief, because at least two of my hon. Friends wish to speak before the Minister replies.

We are dealing tonight with an agreement which, although it relates to many Third-world countries, concerns about only 15 per cent. of the Third-world population. Most of the countries are former colonies and what we have seen in the institutionalisation of Lomé I, II, and III is the creation, as it were, of a network of client states gathered around the EEC. Many of them might wish to be doing something else in terms of their trade with the rich countries, but they are stuck with the Lomé system,

[Mr. Eric Deakins]

and most of them are too scared and not in an economic position these days, in view of world recession, to escape from it.

The impetus, therefore, is on the rich countries of the EEC—the 10 member states—to try to improve the terms of Lomé from one Lomé convention to another. That has not happened on this occasion.

As the hon. Member for Inverness, Nairn and Lochaber (Sir R. Johnston) rightly said, the amount of aid is roughly equivalent to Lomé II, allowing for inflation. I am not certain that it has allowed for population increase—indeed, I do not think it has—but I shall return to that shortly.

A disturbing feature of the aid package is the increased emphasis on programme aid. I have grave reservations generally about programme aid to developing countries, partly because we cannot monitor it sufficiently well and partly because, in principle, it is objectionable. We should be concentrating on development projects, and they should be responsible for raising the revenue. If they cannot do that, we must look more fundamentally at their production, agriculture, and so on, rather than just give them money on a temporary basis.

There is also great emphasis on private capital. That may be part of the Government's general economic policies in relation to the rest of the world. We are dealing with some of the poorest countries, and I cannot believe that there are many profitable opportunities for private capital in many of the 65 or so Lomé convention countries. To believe that private capital would make up the differences is to indulge in wishful thinking.

One of the factors that is worsening conditions, apart from the general world recession, is the rapid growth in population, especially in African countries. Does the Lomé convention say anything about the need for appropriate population policies in such countries? Is any part of the aid programme geared, as is part of our own programme, to mother and child health care, family planning and the provision of contraceptive facilities, for example?

Lomé III is not better than Lomé II, and it might be slightly worse when it comes to trade. As the Minister fairly observed in his opening remarks, the proportion of trade between the ACP countries and the Community has declined. The Community has probably benefited slightly in that its share of trade has fallen less than that of the ACP countries in Community markets.

There is a difficulty, because many of the countries with which we are concerned are basically agricultural communities, and they come up against the protectionism of the CAP. That is a major factor which inhibits the growth of exports and their means of earning sufficient foreign exchange to enable them to pay for essential imports and to improve their living standards generally. It is regrettable that, unlike Lomé II, no sugar arrangement has been negotiated. I do not know whether that is still on the cards and may come about subsequently. Sugar arrangements are important to a number of countries, not only those in the Caribbean. For example, they are important to Fiji and Mauritius.

The Lomé agreement is supposed to be a marvellous example of North-South co-operation, but it has become institutionalised. It is concerned solely with trade and aid; but I recognise that both are important. However, the ACP countries have not been able to get the 10 member states to change their policy at the World Bank and the IMF. Such institutions have a much greater impact on the life and economic development prospects of ACP countries than anything which happens under Lomé I, II or III.

The debt problems of many of the countries that come within the debate have not been addressed by the convention. If it provides a forum for some sort of North-South discussion, these matters should be alluded to, discussed and referred to in a communiqué with continuing discussions after the ratification of the convention. The agreement is not a good one, but it is probably the best that could be hoped for from the EEC. There is a danger that Lomé agreements will become increasingly institutionalised, bureaucratic and set in their ways. That is unfortunate, because we need above all greater openness and flexibility and a willingness to consider the point of view of the other side. I do not think that we are seeing signs of that at present.

11.24 pm

Mr. Mark Robinson (Newport, West): I shall not detain the House long because I know that Opposition Members wish to contribute to the debate. I welcome the fact that the agreement has been reached and that the order is before the House.

The point made by the hon. Member for Inverness, Nairn and Lochaber (Sir R. Johnston) is worth repeating. The Government showed considerable flexibility in the negotiations compared with some of our European partners arguing their case both strongly and strenuously for improvements, not all of which they were able to achieve at the end of the day.

Having listened to the speech of the hon. Member for Vauxhall (Mr. Holland), I could not help thinking—this case was advanced eloquently by my hon. Friend the Member for Hertford and Stortford (Mr. Wells)—that the Lomé agreement is not the handle upon which to hang the case for increased development assistance.

We are well aware of the problems in Africa—the drought and the need for food aid. I agree with the hon. Member for Vauxhall that as soon as practicable we must move the emphasis from emergency food aid and look seriously at the medium and long-term programmes for giving support in the drought-affected countries, and also learn the lessons of the second major drought in 10 years. We must find a way to provide additional resources for such programmes, in the hope that, as the years go by, we can help to prevent a recurrence of that sort of tragedy. I do not think that the Lomé agreement is necessarily the means to achieve that aim.

We have heard this evening about the slowness of procedures within the EEC and the difficulties that the signatories to the Lomé convention have in battling their way through them. Although some Lomé signatories may be disappointed with the end product of the agreement, I still believe that our Commonwealth friends will welcome the third agreement as the best that could be achieved in the circumstances. Certainly it should be seen as yet another important landmark in the continuing co-operation with our Commonwealth partners.

11.26 pm

Mr. Tom Clarke (Monklands, West): The hon. Member for Newport, West (Mr. Robinson) made a very telling point, not so much in his speech as in his

intervention, when my hon. Friend the Member for Vauxhall (Mr. Holland), certainly to my satisfaction, was able to remind the House of the importance of resources. It is not enough to talk about new means of negotiating, agreeing, getting together, drawing up future structure plans, and so on, if the resources are not to be made available. To that extent, the hon. Member for Inverness, Nairn and Lochaber (Sir R. Johnston) was right to mention the Government's record on aid, but an increase of 60 per cent. to a country with inflation running at 800 per cent. does not represent very much.

My hon. Friend the Member for Walthamstow (Mr. Deakins) was right to remind us that the ACP countries represent 65 Third world countries, and only 15 per cent. of the population of the Third world. That is a very limited number of people in relation to the full potential available to the EEC and the challenge that lies before us.

I am grateful to the hon. Member for Hertford and Stortford (Mr. Wells) for his references to Uganda. I appreciated the fact that he reduced the length of his speech to enable some of us to take part in the debate. I wholly endorse what he said. There is a growing worry about current events in Uganda. If the recent report of Amnesty International in yesterday's *Sunday Times* is only half right, we should be worried.

Mr. John David Taylor (Strangford): Is there not a danger that, with the press publicity given to Uganda, we shall concentrate too much on Uganda and ignore some of the other signatories to the Lomé agreement? It may be that in Uganda the Opposition parties are not being dealt with in accordance with the standards that are accepted as normal and reasonable in Western Europe, but, after all, they do have an Opposition. There are other Lomé countries, such as Mozambique, Angola and Ethiopia, which do not even allow an Opposition to exist.

Mr. Clarke: I have never believed that one ought to be selective about human rights. If the right hon. Gentleman takes that view, he will join us in saying that, leaving aside the Opposition in Uganda, there seems to be clear evidence of the type of unacceptable oppression that took place under Idi Amin. That must be just as unacceptable today.

Lomé has funds, but it is not yet appearing as an instrument for development to the extent that we should all like. The Minister is in danger of being oversensitive yet again—I remind him that he has the right of reply—as he told the House of the words of Edgard Pisani, who also said:

"The fact remains that without major changes ACP/EEC co-operation will soon appear to be useless through its failure to get to the roots of the ills that it sets out to cure."

That is a fair comment. When considering these matters, it is reasonable to bear in mind the immediate problems and how much progress is being made in development policies and in encouraging the countries involved to take development seriously.

I accept some of the Minister's criticisms about duplication in projects and too many prestigious projects. I have said much the same in earlier debates. I accept his anxieties about food self-sufficiency, but we should remember what the President of Botswana said about the need for a new international economic order. My hon. Friend the Member for Walthamstow rightly reminded us of the problems of the world debt crisis, inflation, recession and the decline in exports and the falling commodity prices of Third world countries. I regret that Lomé III does not appear to address itself to those problems.

Nevertheless, I wish Lomé III well in the spirit of urging an end to the political in-fighting so that a strategy for the future might be prepared. The important role of agriculture, food production and development should not be forgotten. If the ACP countries take that view, there can be a genuine response from Europe, which will therefore accept some criticism about its policies, especially about protectionism and the growing food surpluses. If we can achieve that, we shall have made tremendous strides.

11.33 pm

Mr. Raison: With the leave of the House, I should like to reply to the debate. I cannot take up every point that has been made—there have been many—and I shall write to hon. Members about matters that I am unable to deal with.

The response of the House has been a little too niggardly. I realise that party politics occasionally enter our deliberations and sometimes lend a certain colour to the attitude of the Opposition to what the Government are doing. I have been frank about the weaknesses of Lomé. I have not tried to pretend that it has all been perfect, but we are discussing something of real importance in respect of which the balance of advantage is clear.

Lomé III is different from the predecessor conventions in a number of worthwhile respects, some of which were mentioned in the debate. The trade provisions have been strengthened, and that was brought about by the British effort. We made the running in trade matters.

There are other ways in which the new convention is an improvement on its predecessors. One is the so-called policy dialogue. We did not get all that we should have liked, but I was closely involved in the negotiations and the new provisions will ensure that we can have a more thorough discussion about the policy context in which aid is given than has been possible in the past. The Government believe that that is necessary and I believe that it will make the new instrument more effective than its predecessor. It will include an emphasis on sectoral matters, a topic that the hon. Member for Vauxhall (Mr. Holland) queried. Sectoral discussions are at the heart of the policy dialogue—moving on from a discussion of the project in isolation to look at a whole area, whether farming, mining or whatever.

There are also other respects in which the new convention is better than its predecessors. In terms of the resources made available, the ACP countries have got a very good deal.

Dr. Norman A. Godman (Greenock and Port Glasgow): The Minister in his opening speech said that provisions for sugar, rum and banana crops had been improved. Would not it make sound sense to the ACP cane sugar producing countries if Portugal took much more cane sugar and much less EEC-produced beet sugar?

Mr. Raison: I do not dispute what the hon. Gentleman says. It would be better for the ACP countries if Portugal took more than the 75,000 tonnes that was agreed. But no one fought harder than the United Kingdom on behalf of the ACP sugar producers. If we had not fought the battle, they would not have got the 75,000 tonnes. We can again claim that the British contribution was one of considerable importance.

[Mr. Raison]

It is not possible for me to cover everything in the three minutes that remain, but the important matter of human rights was mentioned by a number of hon. Members, including my hon. Friend the Member for Hertford and Stortford (Mr. Wells), who, as always, made a thoughtful and interesting speech. The issue was looming throughout the negotiations, but it was not settled until the end. It was unquestionably one of the difficult aspects of the negotiations.

The United Kingdom and a number of other Community member states felt that it would be wrong entirely to dissociate the granting of Community aid from respect by recipient countries for human rights. It is well known that a number of ACP countries objected to that, because they claim that the basis of the Lomé convention is that it is a treaty between equal parties and that it imposes a contractual obligation to give aid, regardless of anything else.

However, we are concerned about human rights, and the final text agreed with ACP states clearly reaffirms the contracting parties' adherence to the principles of the United Nations charter and their faith in fundamental human rights. That is a firm basis on which we can build. We are also able to reach agreement with the ACP states on a joint declaration reiterating our deep attachment to human dignity and reaffirming our commitment to work to eliminate all forms of discrimination. That includes apartheid.

Those texts will not, in themselves, bring about a radical improvement in human rights in many states. The contractual nature of the convention and the need for predictability in planning development mean that the disbursement of aid cannot simply be a function of changes in the degree to which human rights are observed. Nevertheless, the texts are contained in the covention and can therefore be invoked in the most flagrant cases in which elementary human rights are abused. They are important and reflect the concern that has been expressed this evening by hon. Members.

The multi-fibre arrangement was referred to by my hon. Friend the Member for Hertford and Stortford. My right hon. Friend the Minister for Trade has told the House that the Government, while favouring a further multi-fibre arrangement, want it to be more liberal, with improvements concentrated upon suppliers who themselves have liberal import regimes and, of course, upon the poorest suppliers. That has always been the point of view of this country——

It being one and a half hours after the commencement of proceedings on the motion, MR. DEPUTY SPEAKER *put the Question, pursuant to Standing Order No. 3 (Exempted business).*

Question agreed to.

Resolved,

That the draft European Communities (Definition of Treaties) (Third ACP-EEC Convention of Lomé) Order 1985, which was laid before this House on 23rd May, be approved.

Scottish Institute of Agricultural Engineering

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Durant.]*

11.40 pm

Mr. Alexander Eadie (Midlothian): I am initiating a debate on a proposed cut in funding of £1·1 million from a budget of £1·7 million for the Scottish Institute of Agricultural Engineering at Bush estate, Penicuik. This is part of the overall reduction of about £4 million in agricultural research expenditure.

The lunacy of cutting back upon agricultural research in Scotland is compounded by the swipe that is being taken at the Scottish Institute of Agricultural Engineering, to be found in the consultative document. Mr. David Hinton, convenor of the labour and machinery committee of the Scottish National Farmers Union, said:

"Our initial reaction to this document"——

he was referring to the consultative document——

"is one of concern. The Scottish Office have proposed massive cuts in the funding of the Scottish Institute of Agricultural Engineering. The engineering work carried out at the SIAE has concentrated on the special needs of the Scottish industry, many sectors of which are markedly different from those in England and Wales. Provision must be made to continue an adequate basis for Scottish Research in this important field . . . The union is in the process of assessing the complete Agricultural Research and Development picture in Scotland. We will—in due course—be submitting detailed suggestions on the future of Research and Development in Scotland. We recognise the need for increasing efficiency but we reiterate our opposition to the scale and timing of these proposed cuts which owe more to dogma than logic."

I suggest that dogma and logic are a regular hallmark of this Government's actions. When challenged one can only describe their answers by using Edmund Burke's classic descriptiion: the economy of truth.

It was a classic example of hamfistedness when the staff of the Scottish Institute of Agricultural Engineering at Bush estate, Penicuik, read in *The Scotsman* that their jobs were under threat. The policy of "shoot first, tell later", was confirmed on 18 May when they learned that the Department of Agriculture and Fisheries for Scotland, which finances the seven Scottish agricultural research institutes—the Bush estate, Penicuik section being one of them—had published a discussion paper entitled "A Strategy for Agricultural Research and Development." It detailed the financial cuts to be made in applied agricultural research in Scotland.

At present, only 7 per cent. of the £31 million Scottish agricultural research and development budget is spent on engineering. The proposed cuts would reduce this figure to less than 2 per cent., a cut of 70 per cent. The annual budget of the Scottish Institute of Agricultural Engineering of £1·7 million will thus be reduced to about £500,000 or £600,000. One would damage one's eyesight if one tried to find any reason in the document for singling out engineering for such a savage cut. That outrageous proposal is made to stand on its head when one realises that just three months ago the Department of Agriculture and Fisheries for Scotland published a document entitled "Agricultural Research and Development 1985" in which much of the work of the Bush estate institute was highlighted as being topical and of high priority. Within two months, the Department of Agriculture and Fisheries

for Scotland did an about-turn. Long-term research programmes given priority in March were discarded in May.

Today, I have received a letter from the Scottish NFU. It will be making a submission. The union will be pointing out that over four months the Department of Agriculture and Fisheries for Scotland has completely altered its view of the value of agricultural research in Scotland. I do not want to go into the letter in detail, but it is a powerful indictment of the Government's policy and attitude.

A study of the consultation document reveals a number of striking inconsistencies, omissions and errors of logic in addition to a number to debatable statements and conclusions.

One criterion put forward by the Department of Agriculture and Fisheries for Scotland for the allocation of research and development funds is that output at present in surplus should receive less support. However, a respected committee of the Royal Society headed by Professor Bernard Crossland showed recently that a lack of research and development in the agricultural engineering industry between 1966 and 1980 led to a 2·6 per cent. decline in exports and a 112 per cent. increase in imports. Applying the logic of the Department of Agriculture and Fisheries for Scotland, the industry merits the additional funding recommended by that committee rather than the proposed cuts.

The Department of Agriculture and Fisheries for Scotland states its intention to support high quality research, some parts of which serve as the United Kingdom's focus of excellence. It fails to acknowledge that section of the Bush estate as a United Kingdom centre of research into the mechanisation of the potato crop in which it has an international reputation.

The Scottish Institute of Agricultural Engineering on the Bush estate is also internationally recognised for its work on soil compaction, and on the behaviour of agricultural machinery on sloping ground.

The potato crop and soft fruits are singled out as important commodities in Scottish agriculture and yet those are the sectors of the Scottish Institute of Agricultural Engineering expertise which in the past have received a low priority, or have been discouraged by the agricultural heads in New St. Andrew's house in Edinburgh.

I wish to deal with some of the economic benefits of the Scottish Institute of Agricultural Engineering. There are considerable potential economic benefits from the application of its research programmes. For a modest cost to the Department of £1·7 million per annum as well as reductions in input costs those benefits include, first, increased cereal yields through a combination of optimum soil structure, the elimination of losses due to compaction effects from straw disposal, adoption of a zero traffic system with broadcasting, and subsoil loosening. These have a potential worth of £177 million per annum in Scotland alone. The use of soil engineering to limit forest windthrow could be worth £7 million per annum in Scotland.

Secondly, grazing improvements in Scotland through strip seeding have an estimated potential value of £39 million per annum. Improved straw incorporation techniques could save £1·8 million per annum while gains from shallow ploughing could be £5 million per annum. Examples of the value to Scotland of ad hoc development work are the chicken feeder, with a saving of £2·5 million per annum, and crop deflectors, with a saving of £500,000.

Thirdly, the introduction of the institute's developed equipment and techniques to reduce potato damage could save up to £126·7 million per annum.

Fourthly, the elimination of tractor overturning accidents could save United Kingdom resource costs of £3·8 million per annum.

Fifthly, optimal forage conservation in the cool wet climate of Scotland could increase the value of home-produced forage for this region by up to £190 million per annum.

Sixthly, agriculture energy savings of £5 million per annum could be achieved in Scotland simply through efficient management based on the institute's work at the Bush estate.

Seventhly, the machine loads investigation could lead to savings for the United Kingdom in material costs of non-rotary soil working tools of £1·4 million per annum.

Eighthly, adoption of mechanical harvesting of raspberries by Scottish growers, based on the institute's machine specification, would increase profitability by £1·4 million per annum.

The benefits identified for Scotland alone would total £424 million per annum. For northern Britain, this figure could be doubled. Addition of the benefits identified for the United Kingdom as a whole — £101 million per annum—gives a total of £949 per annum. The potential benefit:cost ratio from the application of that programme in asingle year would be 500:1. If even 20 per cent. of the benefits were achieved to give a benefit:cost ratio of 100:1, this would be excellent value for public money by any standards. The benefits that are achieved will continue far beyond the duration of the projects on which they were based. Meanwhile, the cost resources can be devoted to new work to generate new potential benefits. The scale of benefit projected for the present programme is broadly similar to that obtained for completed past projects—for example, the x-ray separator — and for similar work elsewhere.

In amplifying my case, I want to quote an unsolicited letter that I received from Findlay, Irvine Ltd. It is captioned:

"Scottish institute of Agricultural engineering."

The letter states:

"The proposal to cut the budget of the S.I.A.E. by a figure (according to the Press) of £1·1 million out of a budget of £1·7 million is a very damaging one. We have worked with The Bush for nearly twenty years, and although we cannot judge the quality of all their work, the projects with which we have been involved have been relevant to the needs of agriculture, and their research has produced useful devices.

For instance, the Bush Recording Soil Penetrometer which is made here and sold worldwide, was originally designed at The Bush. Sales are steadily growing and make a worthwhile contribution to employment by a small local manufacturer. Research institutes in the USA, Australia, New Zealand, India, Malaysia, and Iran have all bought this instrument simply because it is the most advanced in the world.

Cuts in civil service expenditure have my full support but one has to be selective. Cuts at the S.I.A.E. would strike at precisely the kind of wealth-creating process the Government is trying to foster."

I should like to call in aid a report on tractor safety, for the saving of lives should have the same priority in the agriculture industry as in any other industry. The institute's work on safety is unique in Britain. It is of vital social concern, and has a worldwide reputation. The

[Mr. Alexander Eadie]

United Kingdom focus of excellence on that subject is at the institute. It is a proper research topic for public funding. The institute's work is highly valued by the Health and Safety Executive, which respects its independent position and is unable to commission similar work at any other centre in Britain, including its own research laboratories.

There are an estimated 85,000 farm accidents annually in Britain, of which 1,244 are tractor overturning accidents. The total resource costs to the British economy of those accidents is £94·3 million and £3·8 million, respectively, but the average cost of tractor overturning accidents is disproportionately high at four times the average cost of other accidents. Small and medium-sized farms account for more than 85 per cent. of total unreported accident costs. Those farms are situated predominantly in less favoured areas, and the clear relevance of tractor safety on slopes research to the hill and upland areas points to the acute need for funding such research in Scotland. The work is directly applicable to other land uses in the upland areas, especially forestry.

The institute has been conspicuously successful so far. The comprehensive research on the causes of tractor overturning accidents now provides standard training material used by colleges of agriculture, the Health and Safety Executive, the agricultural training board and the advisory services throughout the United Kingdom. The institute slope monitor and four-wheel drive engagement alarm have both been taken up commercially. The main goal of the institute's work, however, is yet to be reached —determining when a tractor is being operated safely on a slope and when it is not. Currently the tractor driver still has to operate in total ignorance of his degree of safety. If the institute's work is interrupted or terminated now, the real benefit of its achievements will be largely lost to the farming community.

The Department of Agriculture and Fisheries for Scotland proposes to set up a form of contingency fund. The annual cost of that will eventually almost match the slash in the engineering budget. But the Department has no idea what it wants the fund for. Perhaps it is following too closely the example of our southern neighbour, the Agricultural and Food Research Council, from which it takes scientific advice. It has found a need for a contingency fund, probably because it is an organisation that stands alone. However, the Department is part of the Scottish Office and has always benefited from the flexibility — to the extent that it has never needed a separate contingency fund at any time in the past 40 years. It is therefore totally inappropriate to set up such a fund when drastic cuts in the budget are proposed.

The Department of Agriculture and Fisheries for Scotland has declared a set of priorities for agricultural research in Scotland. Engineering has a vital, often fundamental, contribution to make to each and every one of them. All that potential is put at risk by the ambition to have a contingency fund—the latest status symbol. Now it may be argued that the Department has been obliged to prepare its consultation document at short notice to satisfy the demands of the Chancellor of the Exchequer to reduce expenditure. However, the manner in which engineering has been selected to bear the brunt of those costs betrays a lack of knowledge and appreciation of the serious long-term consequences for Scottish agriculture. The indecent haste associated with the consultative document published in May — a response has been demanded for June—makes it vital that the Secretary of State should be made aware of the serious consequences that can only be described as senseless agricultural vandalism in Scotland.

All those concerned with the welfare of Scottish agriculture should ensure that their views are known to the Government. The Scottish Institute for Agricultural Engineering at Bush estate in Penicuik should be expanded, not contracted.

When I led a deputation on Friday to meet one of the Minister's hon. Friend's, and I argued that the consultation period was inadequate, he said that we had nothing to worry about and that the consultative period would be extended. Will the Minister confirm that the consultative period will be extended, and that we will not be involved in decision-making at the end of June after a May publication?

12.1 am

The Parliamentary Under-Secretary of State for Scotland (Mr. John MacKay): I congratulate the hon. Member for Midlothian (Mr. Eadie) on raising this debate and on the way he has presented his case. I have listened carefully and with interest to the points he has made.

The Scottish Institute for Agricultural Engineering is one of seven Scottish agricultural research institutes which are funded by my right hon. Friend the Secretary of State for Scotland through the Department of Agriculture and Fisheries for Scotland. These institutes, together with those of the AFRC, constitute the agricultural and food research service which is an extremely powerful scientific capability available to meet the needs of the United Kingdom agriculture industry.

The programmes of research and development, which are commissioned by the Department of Agriculture and Fisheries for Scotland, aim to advance scientific understanding and to improve the cost-effectiveness of the output of plant and animal production systems, taking into account social, environmental and animal welfare considerations. The Scottish agricultural research institutes are centres that significantly contribute to, and in some cases lead, the agricultural research and development effort in the United Kingdom.

Our financial commitment is significant. For the current financial year the maintenance allocation to the seven institutes will total £20·1 million, with a further £3·5 million for capital, a total of £23·6 million, while a further £7·4 million of the Department's funding of the agricultural colleges goes to support research and development, comprising £6·9 million for maintenance and £0·5 million for capital. Since we came to office we have increased the level of maintenance grant to the Scottish research institutes. In 1978-79, the year before we came to power, Government allocations towards the maintenance costs of the Scottish agricultural research institutes totalled £9·4 million. In the current year we have allocated £20·1 million, an increase in real terms of 13 per cent. The corresponding figures for the Scottish Institute of Agricultural Engineering were £0·7 million in 1978-79 and £1·7 million in the current year—an increase of 26 per cent. in real terms.

Mr. Eadie: Are those figures at 1983-84 prices?

Mr. MacKay: If the hon. Gentleman had listened, he would have realised that I gave the prices at the same year spent in that year, and that the percentage increase was in real terms.

Mr. Eadie: What year?

Mr. MacKay: It does not matter what year, because the figures were expressed in real terms.

In last year's public expenditure survey, the Government decided to reduce the public funding of agricultural research and development in 1986-87 and 1987-88. That decision, which was announced in the public expenditure White Paper published in January, reflects our aim that the industry should make a greater financial contribution to the funding of the research and development from which it benefits. The reductions are being shared by the Ministry of Agriculture, Fisheries and Food and the Department of Agriculture and Fisheries for Scotland in the ratio of their expenditure on research and development. That means that, in Scotland, the planned provision for expenditure of about £32 million on research and development work at the Department's funded institutes and colleges will be reduced by about £3·1 million in 1987-88. That means that, in 1987-88, expenditure will be £28·94 million, which is a considerable sum to spend on research and development, and which does not merit some of the hon. Gentleman's lurid descriptions.

Having sketched the background, may I move to the consultation paper issued by the Department. Good management of any enterprise requires that its activities be monitored and reviewed to ensure that the essential objectives and needs are being met, and that it is responsive to shifts in the patterns of need and the demand for the services. The needs of the agriculture industry do not stand still. The industry would generally acknowledge the contribution which the work of research has made to efficiency and profitability today. In terms of yields and efficiency, the industry has developed at a tremendous rate since the end of the second world war. But the position is constantly changing. We are all familiar with the problem of surpluses; there is greater public concern for the future of the environment and its interface with agriculture; there is pressure to improve the welfare of farm animals; and there is considerable interest in the relationship between diet and health.

Against that background, it is essential that we review our strategy for the future of agricultural research and development, and that we assess the extent to which our resources are being devoted to the priorities that we consider most deserving of attention. It is also necessary to ensure that our priorities are right and that the taxpayer is getting good value for his money. In this context, it does not seem at all unreasonable to expect the prime beneficiaries from the fruits of agricultural research and development to make a contribution towards the costs. This is a matter which the Agricultural Departments are pursuing with the industry.

The present pattern and distribution of research institutes has existed for many years. Obviously there have been modifications in their programmes of research over time, but from time to time it is necessary to stand back and take a good, hard look at what is going on and to assess carefully how we should go forward. The consultation paper does just that, and proposes a strategy for the future, having regard to future reductions in public funding. It has been distributed widely to all interested parties, including the trade union interests. All the comments made will be thoroughly considered before final decisions are taken on the strategy for the future and on any organisational changes which may be required in the structure of the present research institutes.

The Scottish Institute for Agricultural Engineering, which is the subject of immediate concern to the hon. Gentleman, is one of the more recent institutes, having been founded after the war. It has close links with the National Institute of Agricultural Engineering at Silsoe in England; indeed, both institutes are governed by the same governing body, the British Society for Research in Agricultural Engineering. However, the governing body has appointed a Scottish committee to advise on the programme, staff, finances and management of the SIAE and on matters relating to activities in Scotland.

The hon. Gentleman raised several specific points about the proposals affecting the institute in tonight's debate and in a letter to my right hon. and noble Friend the Minister of State, who will be responding by letter to the hon. Gentleman. I also have a copy of the response to the consultation paper from the staff of the institute. The latter document is lengthy and comprehensive, and I assure the hon. Gentleman that all the points that he and the staff have made will be fully considered. Indeed, the Secretary of the Department has told the staff representatives that he will be glad to met them early in July to discuss their representations in detail before putting the overall position to Ministers for their further consideration.

However, I wish to comment on a few points. The hon. Gentleman alleged that insufficient time was allowed for the submission of comments on the proposals. I cannot accept that we are proceeding with undue haste. A period of more than six weeks was allowed for the submission of comments, which is surely not unreasonable, as is borne out by the fact that the staff at the SIAE were able to put together such a comprehensive response as the one they sent to us within one month.

I should make it clear that the consultation paper proposes reductions in funding of research on engineering, but it should not be taken as implying that there will be a cessation of research in engineering in Scotland. We fully accept that agricultural engineering has an important role to play in improving the efficiency of farming practice, and we intend to maintain an engineering capability in Scotland. But the scale of the effort must be assessed in relation to the competing claims on our scarce resources. Other areas of work will have to be covered to meet the required targets. It is essential that the Department concentrates its funding within engineering and other areas on the most productive research opportunities.

I refer now to the developing relationship between the agricultural engineering industry and the Government. The commitment of Government to support the industry has been clearly demonstrated by the creation in 1984 of the agricultural machinery partnership. This is a new initiative aimed at creating——

The Question having been proposed after Ten o'clock and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at ten minutes past Twelve o'clock.

House of Commons

Tuesday 25 June 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

ASSOCIATED BRITISH PORTS (No. 2) BILL
Lords amendments agreed to.

NOTTINGHAMSHIRE COUNTY COUNCIL (SUPERANNUATION) BILL *[Lords]*
Read the Third time, and passed, without amendment.

LINCOLN CITY COUNCIL BILL

ROYAL HOLLOWAY AND BEDFORD NEW COLLEGE BILL *[Lords]*
Considered; to be read the Third time.

Oral Answers to Questions

EDUCATION AND SCIENCE

Teachers (Dispute)

1. **Sir John Farr** asked the Secretary of State for Education and Science if he will make a statement on the current teachers' pay dispute.

2. **Sir William van Straubenzee** asked the Secretary of State for Education and Science whether he will make a statement on the current teachers' pay dispute.

3. **Mr. Adley** asked the Secretary of State for Education and Science if he will make a statement on the current position over the teachers' strike.

6. **Mr. Barnett** asked the Secretary of State for Education and Science if he will make a statement about the current teachers' pay dispute.

12. **Mr. Proctor** asked the Secretary of State for Education and Science if he will make a statement on the current situation with regard to the teachers' dispute.

The Secretary of State for Education and Science (Sir Keith Joseph): On 23 May the management panel of the Burnham committee increased its 1985 pay offer to 5 per cent. The teachers' panel rejected this, refused to go to arbitration and declined to address my 21 May initiative. That had carried forward my offer of July last year to consider carefully any restructuring package on which the employers and the teachers might agree. On 21 May I made plain the Government's readiness to make additional resources available for teachers' pay next year if agreement in principle could be reached by October on a reform of the current pay system designed to meet the Government's educational objectives and to provide improved promotion opportunities for good teachers. The Government are also seeking a clarification of teachers' duties and are prepared to consider alternative arrangements and funding for the midday supervision of pupils. This initiative requires a quick and constructive response if the prospect of a realistic and lasting settlement is not to be lost for yet another year.

Sir John Farr: I congratulate my right hon. Friend on his efforts to raise standards in the teaching profession, parts of which seem determined to be dragged screaming and reluctantly into the next century. Does he believe that there are any prospects of the new talks in Burnham scheduled for 3 July taking place with any value at all? Does he feel that there is a risk of the NUT once again withdrawing from the discussions?

Sir Keith Joseph: I am grateful to my hon. Friend for his comments. I acknowledge that most teachers are effective and hard working in dealing with an intensely difficult task. I cannot predict what will happen when Burnham meets again, but I hope that the interests of the children and teachers will prevail so that attention can be given to the bargain that I have invited the teachers and their employers to negotiate with a view, if the outcome is affordable and good for the children's education, to extra funding next year through the Government.

Sir William van Straubenzee: Following my right hon. Friend's helpful comment about the work of the vast majority of teachers—and observing that that, in my case, with all-party colleagues, is refreshed by recent evidence in primary schools throughout the country—does he agree that for the cause that they represent to be successfully prosecuted, it must have public support? Does he further agree that the recent industrial action has, sadly, much eroded that support among the people whom they must convince and who, in the end, will have to foot the bill?

Sir Keith Joseph: I agree that the action chosen by the teachers to damage the education of children must be damaging to their own claim to professionalism in the eyes of the majority of the public.

Mr. Adley: Will my right hon. Friend confirm that a long-term settlement is the only sensible basis for a solution to the teachers' problem, and that the war of attrition being carried out by the teachers against the children in our schools is deplorable and no more than blackboard blackmail?

Sir Keith Joseph: I think that I am entitled to recognise that most, if not all, of the initiatives taken by the Government outside pay have been such as to be welcomed by most teachers in the interests of good and better schooling in this country. Therefore, I agree that a long-term approach — coupled with appraisal, better promotion prospects and better career development, all of which are undertakings by the Government—is in the interests of the teachers and of the whole country.

Mr. Barnett: Has the right hon. Gentleman's attention been drawn to a letter in *The Times* last Friday from a Peterborough headmaster illustrating the appalling damage that the right hon. Gentleman's policy is causing to education and to the teaching profession generally? Did

the right hon. Gentleman note particularly the last paragraph of that letter, in which the headmaster made it clear:

"Our leaders are rich enough to be detached about money and too foolish to see where their daily slander leads"?

Sir Keith Joseph: Without impugning the sincerity of the writer of that letter, I think we can all agree that the bargain, which sooner or later will be struck, must be concerned with the interests of the children and of schooling in this country. I am sure that virtually every teacher would accept that.

Mr. Proctor: Did my right hon. Friend read the report in the *News of the World* magazine at the weekend describing the practice adopted by our hon. Friend the Minister of State, Northern Ireland Office, when he was a distinguished headmaster, of providing space in school reports for parents to comment on teachers? Does my right hon. Friend think that that practice should be spread throughout education? Will he also say something about the mechanism to be adopted for appraisal so that good teachers can be paid more?

Sir Keith Joseph: I normally take very seriously the views of my hon. Friend the Minister of State, Northern Ireland Office, but I have in mind that the method of appraisal should be broadly worked out by the teachers themselves and their employers. Informal appraisal is already carried out on a wide scale. I merely seek to make it formal, and I have put aside some taxpayers' money for pilot schemes to try out different methods in the next few years as soon as the teachers' unions allow them to take place.

Mr. Fisher: Will the Secretary of State give an assurance to the House and to teachers throughout the country that he will not use his veto if members of the Burnham committee wish to recommend an improved offer, as I have no doubt they would like to do, and that they should and will do so if standards of education in this country are to be improved?

Sir Keith Joseph: No Minister should inhibit himself from using the power of veto if it seems to him and to the Government to be in the interests of the public. The hon. Gentleman will be aware that it stems from the time of a Labour Government.

Mr. Campbell-Savours: How is it possible for a police constable in Workington to be earning £9,234 a year, which is more than a head of department in many comprehensive schools in Cumbria? How is it possible for a 26-year-old constable on the beat in London to be earning more money than a deputy head in many comprehensive schools in Cumbria? How is it possible for the lowest grade of policeman to be earning more money annually than highly educated and professional people in the teaching profession? Is there not something wrong with the Government's system of priorities?

Sir Keith Joseph: The Government are offering the teaching profession the prospect of a changed salary structure in return for improvements in effectiveness, the use of an expanded in-service training network and increased promotion prospects — [HON. MEMBERS: "Why?"] Because at the time when the police pay structure was sharply altered, and as a result of the behaviour of the Labour Government, there was a great shortage of policemen. Pay arrangements must respond to recruiting, retention, motivation and quality factors, as policemen's pay then did. Secondly, the conditions and performance of policemen — for example, their lack of the right to strike — must be taken into account. I doubt whether most teachers would welcome the conditions of work of policemen.

Mr. Freud: Will the right hon. Gentleman define what he means by "affordable," and will his definition take into consideration the cost to the nation of not creating a decently-paid and highly motivated teacher force?

Sir Keith Joseph: I also take into account the cost to the children and to the nation of present standards, which, as I have explained time and again, are not entirely the responsibility of teachers. The salary scale for teachers must take account of their willingness to improve their average effectiveness, their acceptance of improved promotion prospects and their use of an expanded network of in-service training — all of which is either on offer or has already been announced by the Government.

Mr. Flannery: Will the right hon. Gentleman admit that children's education has been disrupted because of the Government's intransigence in paying such miserable wages to the teachers? Does he accept that the Burnham committee, due to the recent elections, has changed in character and that at its next meeting the authorities panel will be supporting the teachers? Does the right hon. Gentleman realise that he must put some new money on the table, because tying it to all the other things in the package is holding things up? Is he further aware that at packed meetings throughout the country — I attended one last night — the teachers are planning to carry this dispute right up to the end of the year?

Sir Keith Joseph: But it was the teachers, led by the NUT, who decided to disrupt the children's education.

Mr. Greenway: Does my right hon. Friend agree that the present strikes are so rotting the behaviour and atmosphere in schools that they will make the lives of teachers much more difficult when normality is resumed?

Sir Keith Joseph: I fear that the teachers are setting a very bad example to pupils.

Mr. Radice: Why has the Secretary of State neither replied to nor acknowledged my letter to him of 19 June, in which I asked him for a meeting to discuss the teachers' dispute? Why has he not more enthusiastically welcomed the recall of the Burnham negotiating committee? I remind the right hon. Gentleman that he is still Secretary of State for Education and Science and not yet the Minister without Portfolio, which he is tipped to become. Why will he not for once take some positive, constructive action to end this highly damaging dispute?

Sir Keith Joseph: I am sorry if I have not answered the hon. Gentleman's letter. I shall do so immediately. I am glad to welcome the recall of the Burnham committee. The hon. Gentleman would have been more his honest self if he had phrased the latter part of his question by asking me why I was not producing more taxpayers' money. That is what he has in mind. The Government are willing to produce more taxpayers' money in return for an affordable bargain from the teachers.

Mowden Hall

4. **Mr. Fallon** asked the Secretary of State for Education and Science whether he will transfer more of his Department's work to Mowden Hall.

Sir Keith Joseph: The Department is committed to transferring areas of its work to Darlington where this is justified in terms of operational efficiency and cost, taking account also of the interests of London staff.

Mr. Fallon: Will my right hon. Friend join me in paying tribute to the Darlington staff, whose work may not be glamorous but is important to the fulfilment of his Department's functions? Can he reassure me that he will continue to transfer work to Mowden Hall as and when necessary?

Sir Keith Joseph: Yes, gladly, and with genuine warmth, I pay tribute to the staff at Darlington, which I and my two colleagues have visited with pleasure.

Teacher Training

5. **Mr. Freeman** asked the Secretary of State for Education and Science if he will make a statement on the current number of students entering training for teaching.

The Parliamentary Under-Secretary of State for Education and Science (Mr. Bob Dunn): The number of entrants to initial teacher training in the academic year 1984-85 was 16,707. Target intakes for the academic year 1985-86 are 17,652.

Mr. Freeman: Does my hon. Friend agree that one consequence of this damaging and prolonged dispute is the reduction in the number and quality of mathematics and science teachers coming into and remaining in the profession, since many have taken early retirement to take up jobs in industry?

Mr. Dunn: We are actively considering whether other intitiatives might be pursued by the Department, in concert with others, to improve the recruitment of teachers in shortage areas. We have recently received advice on this subject from the Advisory Committee on the Supply and Education of Teachers, and the Secretary of State's comments will be made known in due course.

Mr. Freud: Does the Minister accept that there is considerable unease and anxiety among those involved in initial teacher training about the roles of the institutions and the funding available? Is it not time that he made a clear policy statement on this matter?

Mr. Dunn: As the hon. Gentleman knows, the national and Wales advisory bodies have been invited to advise on the allocation of teacher training intakes to institutions in the public sector. The University Grants Committee is considering the distribution of intakes among universities. Its comments, and the response to them, will be made known in due course.

Teachers (Pay and Performance)

7. **Mr. Maclean** asked the Secretary of State for Education and Science what discussions he has had with teachers' unions other than the National Union of Teachers on a package of proposals for restructuring pay and performance.

Sir Keith Joseph: Since last October I have had discussions touching upon these matters with the National Association of Head Teachers, the National Association of Schoolmasters/Union of Women Teachers, the Professional Association of Teachers and the Secondary Heads Association.

Mr. Maclean: Is my right hon. Friend aware that his reply will be greatly welcomed by the hundreds of dedicated teachers in my constituency who are not members of the NUT and who abhor that union's wrecking tactics? Does he agree—he would have the support of the House if he did—that we should push forward with negotiations with unions other than the NUT on appraisals and restructuring, and not allow the unrepresentative majority of the NUT on the Burnham committee to block all sensible negotiations?

Sir Keith Joseph: The statutory framework limits negotiations to Burnham. I am under pressure from many to seek legislative authority to change Burnham, and I remain ready to be convinced that that would be a useful step. However, that is the subject of a later question.

Mr. Ashley: Is the right hon. Gentleman aware that any Minister who has to rely upon his veto or the veto of his officials to overcome the Burnham committee's recommendations will fight a losing battle? It is like trying to stop the tide. The role of King Canute does not become the right hon. Gentleman. He should accept the majority wish of the Burnham committee, if and when that recommendation is made.

Sir Keith Joseph: It was King Canute's courtiers, not the wise King Canute, with whom I think the hon. Gentleman is comparing me. How can the taxpayer be protected when the Burnham committee makes decisions about the spending of taxpayers' and ratepayers' money, unless someone has some power to set a limit, if necessary by veto, on what is agreed by those who do not pay for the consequences?

Mr. Key: Is my right hon. Friend absolutely determined to stick to the October deadline for agreement if there are to be additional resources next year? Many people think that, even with the best will in the world, that is not an attainable target. Furthermore, they believe that it plays into the hands of the NUT, which, by its unrepresentative and militant stand, is undermining the good work done by other teaching unions, such as the Assistant Masters and Mistresses Association.

Sir Keith Joseph: The Government's choice of October is not an arbitrary one. It is the date before which decisions must be made if extra money is to be injected into rate support grant.

Mr. Skinner: Why does the Secretary of State not do something a little ingenious for a change? Why does he not go to the Treasury, when the Chancellor has gone missing, call at the Bank of England, when the Governor is on the golf course or on a foreign trip, get £100 million of the money that is needed to resolve the teachers' dispute, and say, "I am just doing a Johnson Matthey"?

Sir Keith Joseph: The hon. Gentleman is showing the degree of his ignorance if he thinks that there is £100 million lying about in either of those places.

Dame Jill Knight: What does my right hon. Friend think is the objective of calling out on strike teachers in constituencies which dare to return Conservative Members? Is the idea that we should go to my right hon.

Friend to make a special pleading? If so, how do we avoid giving the lesson to children that bad behaviour, threatening and bullying win through?

Sir Keith Joseph: I agree with my hon. Friend that the example that is being set is deplorable. To that must be added the ignoble and thoroughly deplorable practice of taking it out on children and their future, merely because, by chance, a particular person has been elected to represent the constituency.

Mr. Radice: How much money is the right hon. Gentleman prepared to put behind the package? I hope that it is more than the 2 per cent. which is rumoured in the press.

Sir Keith Joseph: I am glad to say to the House and to those outside who are concerned about this matter that it would be wise not to take too much account of what they read in the press.

Mr. Wrigglesworth: Is the Secretary of State aware that, if he had been able to pursue a more consistent package in the earlier stage of the negotiations, the response that he received from the organisations to which he referred when replying to this question might have provided him with an opportunity to resolve this damaging industrial dispute? Will he pursue a package, along the lines of that discussed with those associations, which will not only include a no strike deal but will put more money on the table and provide a long-term programme?

Sir Keith Joseph: The essence of the proposal, which was confirmed in my letter of 21 May, has been on offer since July last year—11 months.

Mr. Patrick Thompson: Will my right hon. Friend bear in mind that the majority of teachers in my constituency and throughout Britain generally do not support the disgraceful industrial action that is doing so much damage and marring the education of our children? Will he therefore urgently examine ways of getting the talks on performance and pay under way, even if that means upsetting the politically motivated leaders of the NUT?

Sir Keith Joseph: I am sure that my hon. Friend is correct in saying that many teachers and some leaders of teachers' unions welcome the main features of the bargain proposed by the Government.

University Lecturers

8. **Mr. Wareing** asked the Secretary of State for Education and Science what recent representations he has received about salary scales for university lecturers.

Sir Keith Joseph: The Department has received about 1,800 letters in the past two months on the pay of university academic and related staff.

Mr. Wareing: How does the Secretary of State justify the 20 per cent. cut in real terms in the pay of university lecturers since the Government came into office in 1979? Is that a sign of the Government's feelings about the true worth of those who are responsible for helping our young people to be properly trained? Is he aware of the burden that that places upon university lecturers at a time when the Government are cutting university finance by 2 per cent. per year? When will the Government see sense?

Sir Keith Joseph: The figures and judgment produced by the hon. Gentleman are the result of a selective choice of dates. I understand that university teachers' pay has kept pace with the cost of living.

Mr. Colvin: Has my right hon. Friend seen last week's Audit Commission report, which calculated that at least 75,000 extra students could be taught, in view of the present small classes? As well as agreeing new salary scales for college lecturers, should he not also find better ways to employ them more fully?

Sir Keith Joseph: My hon. Friend focuses upon something slightly different—the non-advanced level of further education upon which the Audit Commission has produced a significant report. With regard to universities, polytechnics and colleges, I am pleased to tell my hon. Friend and the House that the student-staff ratio in polytechnics has improved a great deal. It is nearer to what the Government judge to be the proper level for a student-staff ratio.

Mr. Pavitt: What representations has the Secretary of State received about the glaring injustice in the remuneration of university lecturers in medical schools when compared with similar employees in the NHS? Is it not about time that some comparability was achieved?

Sir Keith Joseph: Yes, Mr. Speaker. I am aware of the problem and am, of course, waiting to see what the relevant authorities will recommend. Universities must live within their budget, which comes mainly from the public sector, and decide on their own priorities.

Mr. Rhodes James: Is my right hon. Friend aware that the Audit Commission gave praise as well as blame? Would it not be nice if occasionally some praise were given to those who work in higher education?

Sir Keith Joseph: Yes, Mr. Speaker. I do that most gladly. I seem to be constantly praising — the latest occasion was in front of the Select Committee this morning — the outstanding reputation that our higher education system has across the world.

Mr. Beith: Is the Secretary of State convinced that the present salary levels, other than those in the clinical sector, are sufficient to attract people of the highest ability into university teaching in those subjects about which he is most worried?

Sir Keith Joseph: I hope that I am worried about all subjects. The Green Paper on higher education recognises that the essentially national system of pay is not necessarily the ideal way to attract the highest talents, and has invited comments upon possible alternatives.

Mr. Nicholas Winterton: Does my right hon. Friend accept the gist of what I have put in early-day motion 805, relating to academics in higher education in the medical sector? Does he accept that the statement by the hon. Member for Brent, South (Mr. Pavitt) is correct, and that a proper comparison should be made between those in the Health Service who administer health care and those who teach in the universities, and that their salaries should be comparable? It is no good awaiting reports. My right hon. Friend should act now to ensure that that is the case.

Sir Keith Joseph: I understand the essence of what my hon. Friend says, but there is a body called the clinical academic staff salaries committee which is considering

how to reflect the salary arrangements made for doctors and dentists in the NHS in those made for clinical academic staff. I must await its advice and the reaction of the universities.

Mr. Andrew F. Bennett: Instead of giving praise, will the Secretary of State find a little extra money for those who work in universities? Does he accept that there is not just a problem with the clinical staff and those who work in the NHS, but that there is also an increasing problem in science and technology, where there appears to be a growing brain drain from this country to the United States and Canada?

Sir Keith Joseph: On the last part of the hon. Gentleman's question, I accept that if evidence accumulates of a net brain drain, as opposed to an exchange of brains, the position is worrying. That is why I spoke only a week ago of the importance that I attach to the ABRC's recommendations for science. However, I warn the hon. Gentleman that, because he is always getting up and undertaking to spend more public money, the cumulative total will completely discredit his party.

Universities (Freedom of Speech)

9. **Mr. Stern** asked the Secretary of State for Education and Science what discussions he has had with the Committee of Vice Chancellors and Principals about his proposals concerning freedom of speech in universities.

The Parliamentary Under-Secretary of State for Education and Science (Mr. Peter Brooke): My right hon. Friend has discussed this issue with the committee and will be doing so again next month. Recent events continue to give concern.

Mr. Stern: Will my hon. Friend press ahead with those discussions as soon as possible? Does he agree that recent events in some of our universities, involving militant action against free speech by tiny groups of students—tiny both in number and in mental stature—give rise to doubts, particularly in the case of the recent incident at Bristol university, about the fitness of such people to be in universities in the first place?

Mr. Brooke: I readily concur that the correspondence columns of the Bristol university periodical are a rich quarry on the subject of freedom of speech in an academic environment — indeed, with a vigorous freedom of speech of their own that is worthy of Burke.

Mr. Fatchett: Does the Under-Secretary of State recognise that tenured appointment for university staff has been an important element in safeguarding freedom of speech and thought in universities? Does he not realise that the Government's intention to threaten that tenure is causing great concern about the future of freedom of speech in universities?

Mr. Brooke: My right hon. Friend the Secretary of State for Education and Science has made it absolutely clear in what he has said about tenure that freedom of speech and of thought—academic freedom in total—will not be threatened.

Local Authority Expenditure

10. **Mr. Eastham** asked the Secretary of State for Education and Science if he will make a statement about Her Majesty's Inspectorate's report on "Local Authority Expenditure Policies on Education Provision in England —1984".

Sir Keith Joseph: I authorised the report's publication and commend its measured analysis as essential reading to all concerned with the provision of education. I look forward to discussing its findings with the local authority associations.

Mr. Eastham: This report is highly critical of the Government. It points out that the Government's demands for new technology to be introduced into the curriculum leads to many problems for local authorities. Their school buildings need to be refurbished. Many of them were built in the 1950s and 1960s and considerable sums of money need to be spent upon them. If I may give a constituency example, the city of Manchester needs £10 million to carry out this work. That does not take into account the normal maintenance that has to be carried out by local authorities.

Sir Keith Joseph: I accept that there are shortcomings over the maintenance of school buildings that reach back over several Governments and very many years. However, the same report to which the hon. Gentleman has drawn attention criticises the management of resources by many local education authorities. They are spending money where it needs not to be spent, with the result that money is stinted where it ought to be spent.

Mr. Boyes: This report is a gross indictment of the Government's disgraceful, disgusting and unacceptable treatment of the education system. Highly qualified and trained teachers are being denied the buildings and the resources that are needed to provide our children with the basic education that they require.

Sir Keith Joseph: The hon. Gentleman is guilty of selective quotation. The maintenance of buildings is criticised in the report, but it criticises as more significant still the combined effects of bad management by many local education authorities of public resources and ineffective teaching by a considerable minority of teachers.

Mr. Jim Callaghan: As a result of Her Majesty's Inspectorate's report on expenditure on schools, does the Secretary of State agree that crisis point has been reached in terms of school repairs? One shire county alone has a backlog of repairs amounting to £35 million. Is the Secretary of State aware that in my constituency, during the last year four schools have had to close because of lack of repairs and that one of them, Elm street, requires repairs amounting to £600,000? Will the Secretary of State help local authorities like mine to foot the bill for these repairs?

Sir Keith Joseph: Without condoning the position on repairs, I ask the House to realise that the same report said that there was scope for redeployment of public money in many local education authorities. The report, which Opposition Members are using as a quarry to criticise the Government, was not published by them in their time.

Mr. Radice: Is the right hon. Gentleman aware that in paragraph 14 of the report Her Majesty's Inspectorate—his own advisers—makes it clear that there is a link between resources and quality? Is he further aware that paragraph 89 points out that if we are to increase the level of achievement in our schools there must be more

resources? So why is he cutting back central Government money to local education authorities by 9 per cent. in real terms over the next three years?

Sir Keith Joseph: The hon. Gentleman continually quotes that figure, without adding that that figure was specifically described as provisional. As the report says, adequate resourcing is not a sufficient condition for sound education, but, that said, I accept that there is an association between satisfactory levels of resourcing and the quality of the educational process. There is no conflict between that finding and other evidence that there is only a slight correlation between levels of attainment, as measured by public examinations, and levels of spending on education.

Children (Lunchtime Supervision)

11. **Mr. Greenway** asked the Secretary of State for Education and Science if he will make a statement on the lunchtime supervision of children at schools.

Sir Keith Joseph: I deeply regret the fact that members of the three largest teacher unions have, in pursuit of their pay claim, chosen to withhold their support from the head teacher in exercising his overall responsibility for the conduct of the school during the midday break. This has placed a great strain on the head teachers and I should like to express my respect for them and for their sense of duty towards the pupils—and to those who have helped them — in maintaining supervision over the past months. [HON. MEMBERS: "Humbug."] I am surprised that Opposition Members do not share that sense of respect. I have made public the Government's readiness to consider alternative arrangements and some additional funding for midday supervision in 1986-87 in return for a clearer definition of teachers' duties.

Mr. Greenway: Is my right hon. Friend aware that I once supervised 1,500 school dinners every day? Therefore, I can well understand the agony recently expressed by head teachers over their problems with supervising school dinners, supervising schools, meeting parents during the lunch hour, supervising the neighbourhood of the school and so on. Is it not a terrible irony that after years of fighting for payment for lunchtime duty there has so far been no discussion by teaching unions of my right hon. Friend's offer of 21 May for payment for lunchtime duties?

Sir Keith Joseph: I very much hope that discussions on that matter will start fairly soon.

Mr. Madden: How many children will there be to supervise if the proposal in the Fowler review to scrap free school meals is implemented?

Sir Keith Joseph: The Fowler review is in Green Paper form. There will still be a need for midday meal supervision, whatever happens on that account.

Pupil Profile Pilot Schemes

13. **Mr. Evennett** asked the Secretary of State for Education and Science if he will make a statement on the pupil profile pilot schemes.

Mr. Dunn: Eight pilot schemes have been established in England and one in Wales. The schemes began in April this year and are expected to run for three years.

Mr. Evennett: I am grateful to my hon. Friend for that answer and I am sure that on the Conservative side of the House we applaud the introduction of those schemes. Does he agree that such schemes will prove invaluable to employers, in that when an individual comes before an employer for a job he will have something concrete, not just an academic paper qualification, which will tell the employer something about the individual? This is a great step forward in getting more jobs for our young people.

Mr. Dunn: There are many children who do not achieve academically but have other qualities that are of interest to a prospective employer and to the community at large. We believe that in time records of achievement will be of great use to all children, irrespective of their academic commitment and purpose.

Degrees and Qualifications (Sale)

15. **Mr. Tom Cox** asked the Secretary of State for Education and Science what action his Department is to seek to take to stop the sale of degrees and academic qualifications.

Mr. Brooke: The Government believe that no solution is possible without legislation, but further proposals are being put to us, to which we are committed to giving serious consideration.

Mr. Cox: That reply is most warmly welcomed. Is the hon. Gentleman aware of the widespread abuse in this country over the selling of bogus degrees and of the great harm that it does to the well-established colleges of education? Can he give an assurance that that legislation will come through in the next Session of Parliament?

Mr. Brooke: I join the hon. Member in deploring the practice of selling degrees or other academic qualifications. At their request, I recently met representatives of the Association of Business Executives, who have undertaken to set out a proposal which they think might avoid some of the difficulties described. This will be examined and considered on its merits.

PRIME MINISTER

Engagements

Q1. **Mr. Forth** asked the Prime Minister if she will list her official engagements for Tuesday 25 June.

The Prime Minister (Mrs. Margaret Thatcher): This morning I had meetings with ministerial colleagues and others. In addition to my duties in this House, I shall be having further meetings later today. This evening I hope to have an audience of Her Majesty the Queen.

Mr. Forth: My right hon. Friend undoubtedly shares the horror and frustration felt throughout the country at the recent spate of bombings at airports and on aircraft. When she goes to Milan this week, will she add another British initiative in this matter by raising with other Heads of Governments and perhaps with Governments and flag carriers the possibility of a co-ordinated effort to counter such acts of terrorism and horror, particularly at airports?

The Prime Minister: I agree with my hon. Friend. We all share the same horror at those desperate acts. I certainly will raise this at the European Council and I hope to discuss it with Vice-President Bush when he comes next week.

Mr. Kinnock: Is the Prime Minister aware that I and my right hon. and hon. Friends wish warmly to congratulate the police on the remarkable detective work and the success that they have achieved against the Provisional IRA? We believe that the whole nation has cause to be grateful. Can the Prime Minister give us an assurance that all necessary resources will be provided in order to ensure that the police can fully and quickly undertake the painstaking search that they now have to undertake of hotels and boarding houses in all the resorts mentiond by Commander Crawshaw?

The Prime Minister: I am grateful to the right hon. Gentleman. As he knows, my right hon. and learned Friend will be making a statement on this matter shortly. We all warmly congratulate the police on preventing a disaster which was calculated to maim and kill many innocent people. All possible resources will be devoted to the task of the necessary search.

Q2. **Mr. Greenway** asked the Prime Minister if she will list her official engagements for Tuesday 25 June.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Greenway: Does my right hon. Friend not agree that in a bad week, when terrorists have terrified the world, it is high time that everyone united in congratulating the police on their brilliant anti-terrorist operations? Is it not time that the GLC anti-police Bill was withdrawn and that the sour and obstructive attitude towards the police by many Members in the Labour party was brought to an end?

The Prime Minister: I agree with my hon. Friend, and indeed I have already indicated that we warmly congratulate the police on their success. I agree with him about the GLC anti-police Bill.

Mr. Winnick: Can the Prime Minister give any explanation at all why the Tory candidate in the current by-election goes about as if he has never heard of her? What possible explanation can there be for that?

The Prime Minister: I am sure that we have a candidate who is concentrating on putting across positive, constructive policies—*[Interruption.]* Those policies are the policies of our party. The Labour party attempts to personalise politics because it has no constructive policies to put across.

Q2. **Mr. Dobson** asked the Prime Minister if she will list her official engagements for Tuesday 25 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Dobson: Does the Prime Minister recall her speech to the Welsh Conservative party conference in Swansea in 1980, when she said that Welsh people who wanted work would have to move to find it? Is that still her advice to the people who live in Brecon and Radnor? If it is, where does she suggest they go? Surely she cannot be suggesting her constituency of Finchley, where 3,000 people are on the dole.

The Prime Minister: In that speech I said that movement was a part of finding a job—*[Interruption.]* That is also mentioned in the employment White Paper published many years ago.

Dr. Blackburn: Does my right hon. Friend agree that the greatest blessing that a Government can give to the sick, the unemployed, the disabled and those on fixed incomes is—[HON. MEMBERS: "To resign".]—lower inflation? Will my right hon. Friend confirm to the House and to the nation from the Dispatch Box that that remains the paramount policy of Her Majesty's Government?

The Prime Minister: It is our policy to reduce inflation. Although at the moment it is higher than we would wish, it is lower than any level achieved by the Labour Government.

Mr. Beith: Why is the Government's representative in the European Court of Human Rights at Strasbourg arguing so adamantly in favour of the power of a Labour Government to nationalise industries without adequate compensation? Does the Prime Minister really believe that the shares that she has sold to large numbers of the British public should be open to renationalisation at a knock-down price?

The Prime Minister: The European Commission on Human Rights has pronounced on the case and the matter has now gone before the Court. As the hon. Gentleman is aware, we accept the Court's decisions, whatever they may be.

Q2. **Mr. Douglas** asked the Prime Minister if she will list her official engagements for Tuesday 25 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Douglas: May I make an appeal to the Prime Minister's scientific mind? The expectation of an event occurring which is one divided by 10 to the power of 53 is small. Is that not exactly the position of the Scottish miners, because 413 men have been re-employed, but not one of the 203 men from Scotland has been re-employed? Are we therefore correct in assuming that human intervention is involved? Will the Prime Minister now instruct the National Coal Board to pay the same attention and give the same justice to Scottish miners as to miners in other areas, so that some at least of the 203 men who have been dismissed will be re-employed?

The Prime Minister: I told the House what the Coal Board said when I replied last time. The hon. Gentleman is the first to know that the correct procedure for miners who were dismissed during the dispute is to appeal to an industrial tribunal. If that tribunal finds that any miner was unfairly dismissed it can order compensation and recommend reinstatement. That is the correct procedure.

Mr. David Atkinson: Will my right hon. Friend use the opportunity of the forthcoming European summit to strike a blow on behalf of millions of small businesses throughout the Community by trying to amend the sixth directive on value added tax to increase the threshold to above £50,000 a year so that small businesses can get on with the job of making a profit and creating new jobs rather than being weighed down by the enormous bureaucracy in the EEC?

The Prime Minister: I raised the subject of that directive at the previous meeting of the European Council. My right hon. Friend the Minister without Portfolio has also raised the matter. We shall continue to raise it. We believe that the level for VAT set in that directive is far too low and should be raised substantially.

Mr. Freeson: Referring back to earlier barbarism and terrorism, will the Prime Minister tell us why British

intelligence services, for which she is responsible, have blocked the release of information on Klaus Barbie held by American State Departments and being sought by special investigators trying to combat Nazi cells in America, and failed to provide information in connection with the Klaus Barbie trial, which is still to take place in France?

The Prime Minister: I have answered a question on that matter before. The answer has not changed. We try to release as many documents as we possibly can and to be as helpful as we possibly can, but there are sometimes reasons why documents cannot be released.

Mr. Wigley: Is the Prime Minister aware that one of the issues that is emerging in Brecon and Radnor is the utter inability of the rate support grant formula to maintain an adequate level of services in areas of great sparsity of population? In view of the £50 million of help that she has given Scottish ratepayers and her promises to reform the rating system—*[Interruption.]*—when can the people of Brecon and Radnor expect some relief from their problems?

The Prime Minister: As my hon. Friends are saying, it is unlikely to come from the hon. Gentleman. The Government have done as much as they can to persuade local authorities to constrain expenditure and, if need be, to cap the rates. In many cases, that has been highly successful. I look forward to receiving the hon. Gentleman's support when we bring forward proposals fundamentally to change the rating system.

Billericay

Q5. **Mr. Proctor** asked the Prime Minister if she will pay an official visit to Billericay.

The Prime Minister: I have at present no plans to do so.

Mr. Proctor: My constituents will naturally be disappointed by that response. Is my right hon. Friend aware that my constituents wish to see control of the level of inflation, control of the level of public expenditure and a reduction in taxation? Can my right hon. Friend give pledges on those matters as well?

The Prime Minister: As my hon. Friend is aware, it is the Government's policy to keep strict control of public expenditure. I agree with the Leader of the previous Labour Government, who said:

"If you talk to people in the factories and in the clubs, they all want to pay less tax. They are more interested in that than the Government giving away money in other directions."

Engagements

Q6. **Mrs. Peacock** asked the Prime Minister if she will list her official engagements for Tuesday 25 June.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mrs. Peacock: Is my right hon. Friend aware that the recently published report of the Select Committee on Employment is the report of the Opposition Chairman, supported by Labour Members, and not supported by Conservative Members, as at no time during the giving of evidence did Mr. Scargill condemn the nature——

Mr. Speaker: Order. This is a bad habit, because that matter is not the Prime Minister's responsibility.

Q7. **Mr. Wareing** asked the Prime Minister if she will list her official engagements for Tuesday 25 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Wareing: As the Transport Bill is now in another place, would the Prime Minister care to inform this House of the name of just one country in the developed world where the deregulation of transport and the sort of regime that the Bill envisages exists?

The Prime Minister: I do not know of any country that has had the system that we are trying to get rid of, under which subsidies have increased and passengers decreased.

Mr. Colvin: Further to the earlier question from the hon. Member for Berwick-upon-Tweed (Mr. Beith), will my right hon. Friend take time today to remind the House that if it had not been for the Lib-Lab pact in 1977 the aircraft and shipbuilding industries would never have been nationalised in the first place?

The Prime Minister: I thank my hon. Friend for putting his point so cogently.

Q8. **Mr. Chris Smith** asked the Prime Minister if she will list her official engagements for Tuesday 25 June.

The Prime Minister: I refer the hon Gentleman to the reply that I gave some moments ago.

Mr. Smith: Will the Prime Minister tell the House whether her Government have now made up their mind whether the best recipe for the British economy lies in greater public spending or more cuts and tax cuts? Which side of the Cabinet is winning?

The Prime Minister: The hon. Gentleman should be aware that the Government believe in the control of public expenditure, as do almost every Government in power, because they have to. Perhaps the hon. Gentleman will never have the experience of being in power, so e will never know that fundamental fact. Only if we control public expenditure and have the type of growth that we have had during the past few years can we cut tax. Had we kept the present amount of tax and the structure of income tax that existed under the Labour Government, the average family would be paying £260 more in tax than it is now.

Questions to Ministers

3.31 pm

Mr. Speaker: I wish to make a statement.

I have reflected on the point of order put to me after Prime Minister's questions last Thursday. The difficult task imposed on Mr. Speaker is to balance the diverse and urgent claims of hon. Members, both Back Bench and Front Bench, and of nearly a dozen parties in the House. In its wisdom, not for years but for centuries, the House has advised its Speaker not to give reasons for the exercise of his discretion. When Speakers have departed from that apparently cold discipline in answer to points of order, as I did on Thursday, they often find themselves on the spur of the moment stating what are not, and cannot be, rules, but must necessarily be instantaneous judgments. It has been and is the fervent hope of successive Speakers that the sum total of their decisions will be accepted as fair and reasonable by the House which elected them to the Office of Speaker.

Mr. Neil Kinnock (Islwyn): On a point of order, Mr. Speaker. May I thank you for offering us a characteristically wise reflection on the nature of your task, which we fully understand is not always easy?

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): Further to that point of order, Mr. Speaker. I am sure that the House will be grateful to you for your statement and will wish you well in the exercise of your very difficult task.

Terrorism

3.33 pm

The Secretary of State for the Home Department (Mr. Leon Brittan): With permission, Mr. Speaker, I should like to make a statement.

As the House will know from the statement issued by the police yesterday, on 22 June five people were arrested in Glasgow by Strathclyde police and detained under the Prevention of Terrorism (Temporary Provisions) Act 1984. My right hon. Friend the Secretary of State for Scotland has approved the extension of their detention for five days for further questioning. Since then the police have arrested and detained under the Act a further 16 people. Those detained are being questioned in connection with a number of offences, including the bombing of the Grand hotel at Brighton.

As a result of information obtained following the arrests made on 22 June, the police were able to discover and disarm a bomb set for detonation on long-term timer in a room at the Rubens hotel, Buckingham Palace road. The investigation, the discovery of the bomb and its disarming are outstandingly successful demonstrations of the professionalism, courage and determination of the police in the battle against terrorism, which they are fighting on behalf of us all. I congratulate warmly all the forces concerned.

The House will also be aware, however, that the bomb discovered at the Rubens hotel was intended to form part of a wider operation involving the planting of bombs in a number of towns: Blackpool, Bournemouth, Brighton, Dover, Eastbourne, Folkestone, Great Yarmouth, Margate, Ramsgate, Southampton, Southend and Torquay. The bombs were to be timed to explode at intervals from mid-July, at the height of the holiday season, and the attacks would have been quite indiscriminate in their victims. But, as last night's statement showed, the police have reason to believe that the only device so far placed was the one discovered in the Rubens hotel, and that the preparations of the IRA have been interrupted at an early stage.

None the less, the police must take account of what they regard as the slight possibility that it was not only in the Rubens hotel that a bomb had been placed. Accordingly, they are urgently pursuing co-ordinated inquiries and searches on a basis agreed between all the chief officers of police concerned. That will involve conducting searches in the places identified as intended targets just as vigorously as if there were positive reasons for believing that bombs had been put in place there.

The police service therefore now faces one of the largest preventive operations that it has ever mounted. I have asked the Commissioner of Police of the Metropolis, Sir Kenneth Newman, to undertake personally the co-ordination of the operation. The Commissioner's task is not to take over the local operational responsibilities of chief officers, but to provide a co-ordination centre and clearing house, in which individual forces may be represented, for the conduct of the operation. For that purpose, the forces principally involved will be invited to second appropriate officers temporarily to assist the commissioner in that task. He will in that way be able to ensure that information derived from related inquiries in any police force area is made available to others who may need to act upon it or refer to it. Those arrangements will

[Mr. Leon Brittan]

also enable the public and the press to be kept properly informed, particularly in relation to any ways in which they can help.

But the local Members of Parliament may also have an important role to play. For that reason, the commissioner, in consultation with the chief constables for the relevant areas, will be arranging briefing tomorrow for Members of Parliament for the constituencies identified as possible targets. The purpose will be to explain the background and the police assessment as fully as practicable and to discuss ways in which the Members and the public can best help the police.

The House will appreciate the limitations on what can be said at this stage in the inquiries about the considerable amount of information that has so far been discovered. That has already resulted in a major terrorist outrage being thwarted. Every possible effort is now being made to prevent any further risk to the public and to bring to justice those who have been planning the cold-blooded and indiscriminate murder and maiming of totally innocent human beings.

Mr. Gerald Kaufman (Manchester, Gorton): On behalf of Her Majesty's Opposition, I congratulate the police on this skilful and successful operation. By their tenacity and ingenuity, they have almost certainly saved the lives of innocent people — possibly very many thousands of innocent people. If that plot had succeeded, it is appalling to imagine the havoc and carnage that would afflicted countless carefree holidaymakers.

I hope that the Home Secretary will report to the House on any further significant developments as the public, including those in the holiday and tourist industries, will naturally continue to be concerned at any possible hazards. I am confident that all involved, whether those planning their holidays or those who work hard to earn their living at seaside resorts, will join the House—representing, as we do, the whole country — in sending a message to those evil people who, for their bleak and inhuman purposes, are ready to destroy and maim men, women and children. That message is clear and unmistakable: "Your methods will not win. Bombs never have and never will change the principles and purpose of the people and Parliament of the United Kingdom."

Mr. Brittan: I am most grateful to the right hon. Gentleman for what he has said. I shall certainly report to the House on any significant developments. I hope the House will feel that the course that has been followed in this case, of being as open as possible with the public about what has happened, is the right one.

Sir Peter Blaker (Blackpool, South): Is my right hon. and learned Friend aware that the whole House will endorse his congratulations to the police? Other hon. Members may agree that, in view of the briefing that he is arranging for hon. Members who represent the towns affected, it would be inappropriate to press him today on detailed points. However, will he confirm that, where people have made, or might be considering making, plans to spend their holidays in the towns he mentioned, as of now he sees no reason why they should change those plans?

Mr. Brittan: I certainly confirm what my right hon. Friend invites me to confirm. People should not change their plans. One reason for the briefing is that, apart from enlisting the support of hon. Members in the weeks that lie ahead for the tasks that fall to the police, the circumstances in each place will differ, so it is more convenient to deal with them by way of a briefing.

Mr. David Steel (Tweeddale, Ettrick and Lauderdale): My hon. Friends and I wish to be associated with the expressions of admiration for the police and the intelligence services and join in the congratulations to them on the remarkable success of this operation. It has been reported that the nature of the hotel in Buckingham Palace road is such that, if the bomb had gone off, numbers of American tourists might have been killed. If that is so, does the Home Secretary agree that this is a timely moment for Her Majesty's Government to underline yet again to the American public the folly of donating money to organisations that support campaigns of this kind? Does he agree that there is some ray of optimism, in view of the information about IRA plans that has been forthcoming, and that that underlines yet again the growing revulsion of British and Irish citizens at this campaign of persistent murder and terror? Does he agree, therefore, that this would be a good time for the Government to underline yet again their intention to continue the constructive dialogue with the Government of Ireland?

Mr. Brittan: I am grateful to the right hon. Gentleman for those remarks, and I agree with everything he said. The common purpose that we share with America in fighting and defeating terrorism is well reflected in the supplemental treaty on extradition which is being signed today and which, when completed and ratified, will prevent those who commit terrorist acts from seeking a haven in the United States, while hypocritically claiming a political justification for their murderous acts.

Sir Frederic Bennett (Torbay): I endorse what my right hon. Friend the Member for Blackpool, South (Sir P. Blaker) said about this not being the time to press the Home Secretary on matters of detail, particularly as those concerned will be briefed tomorrow. However, as my right hon. and learned Friend said that there was a slight chance that bombs may have been placed, will he give an assurance, irrespective of tomorrow's briefing, that as soon as it becomes clear that has not happened, a further statement will be made to that effect? Otherwise, as my right hon. Friend pointed out, there will be an adverse effect on tourism, a trade which is of vital importance to parts of the country?

Mr. Brittan: I assure my right hon. Friend that if it is felt possible to eliminate, more conclusively than I have been able to do today, any further possibilities, I shall be delighted and happy to do so.

Mr. Merlyn Rees (Morley and Leeds, South): I applaud the success of the police against the Provisional IRA. They have done well: may their efforts continue that way. However, is the right hon. and learned Gentleman aware that I have been surprised at the detailed information that has appeared in the newspapers today, not only because that may help any remnants of a cell that is in this country but also because I hope that it will not weaken any case that may come before the courts?

Mr. Brittan: The right hon. Gentleman, with his experience of these matters, is giving a salutary warning to all concerned in the handling of these issues.

Mr. Teddy Taylor (Southend, East): Is the Home Secretary aware that, while in Southend this morning, I detected among the public a sense of outrage that the IRA planned to kill and maim innocent holidaymakers? Is he further aware that the public are immensely grateful to the police for showing professional skills and bravery in thwarting the IRAs appalling plan? Does the co-ordination arrangement mean that the extremely professional skills of the Met will be available, if required, to county forces?

Mr. Brittan: I am grateful to my hon. Friend. The answer is that it does.

Mr. J. Enoch Powell (South Down): Have the Government taken note that once again the operations of the Provisional IRA have been pointedly used to bring pressure to bear on Her Majesty's Government in the context of the conclusion of certain arrangements with the Irish Government?

Mr. Brittan: I am not sure that I accept what the right hon. Gentleman has said.

Mr. Andrew Bowden (Brighton, Kemptown): Is my right hon. and learned Friend aware that the people of Brighton will greatly welcome his statement showing yet again the competence and effectiveness of the Sussex police force and the other forces involved? Will he emphasise the importance of the public giving full support to the police in their activities and ignoring the anti-police activities of small groups of extreme Left-wing activists in my town and in other parts of the country?

Mr. Brittan: I am grateful for my hon. Friend's observations and I welcome the opportunity that they give me to say that members of the public should be on the alert for suspicious objects, individuals and incidents, but that neither they nor hoteliers should institute searches of establishments without advice from the police.

Mr. Robert Maclennan (Caithness and Sutherland): Will the Home Secretary convey the congratulations of my right hon. and hon. Friends and myself to all those police forces throughout the country which have played such a notable part in forestalling appalling outrages and in particular to the force in the Strathclyde region? In that context, does he agree that it is to the regional and local police forces that the country must turn for protection and that we must guard against responding by any step towards the creation of a national police force? Is the right hon. and learned Gentleman aware that in that regard I view with some disquiet the appointment of Sir Kenneth Newman in a co-ordinating role?

Mr. Brittan: The hon. Gentleman is entirely right to draw attention to the contributions of a number of police forces and to single out Strathclyde in this instance, but I am afraid that I do not agree with his comments about the appointment of Sir Kenneth Newman. If the hon. Gentleman had followed carefully the terms of my statement he would have realised that it was designed to avoid precisely that which he fears. There is no question of a step towards the creation of a national police force. I happen to believe that such a force would not be more efficient, quite apart from any political disadvantages. In an event of this kind, however, the necessity for co-ordination is real and imperative and I believe that the machinery that we have set up is appropriate.

Mr. Robert Hicks (Cornwall, South-East): Is my right hon. and learned Friend aware that all concerned with the tourist industry, especially hoteliers, are most perturbed by these developments? Will he confirm that additional surveillance will be given in areas which, although not mentioned, are equally vulnerable?

Mr. Brittan: Certainly, wherever in the judgment of the police there is an enhanced risk, enhanced protection will be provided.

Mr. J. D. Concannon (Mansfield): Having witnessed too many times for comfort the professionalism of the police and the Army in situations of this kind I can only congratulate them yet again on their success, as I have done many times before. Bearing in mind what my right hon. Friend the Member for Morley and Leeds, South (Mr. Rees) has said, is the Home Secretary in a position to say in a few words whether the Prevention of Terrorism Act has helped him in circumstances of this kind?

Mr. Brittan: The answer to that is—undoubtedly.

Sir Edward Gardner (Fylde): Does my right hon. and learned Friend agree that the superb work of the intelligence services, which deserves the gratitude of the whole country, bears out the truth of what my right hon. and learned friend told the Select Committee on Home Affairs some months ago—that but for the work of the security forces hundreds of people now alive would be dead?

Mr. Brittan: My hon. and learned Friend is quite right. I did not and could not anticipate that what I said to the Select Committee would be borne out so vividly and in such a horrifying way so soon afterwards.

Mr. David Atkinson (Bournemouth, East): Further to the point raised by the leader of the Liberal party, in view of the record number of American visitors staying at British hotels this year, would it not be sensible to draw attention to the fact that the IRA is no respecter of whom it maims and murders, and should not such visitors be given an information pack on the IRA to take home?

Mr. Brittan: That process of education was sadly and tragically enhanced by the Harrods bombing in which there were American victims. The fact that IRA terrorism respects no persons can and should be abundantly clear to citizens of the United States, whether visiting here or at home. I also wish to say to them that they are most welcome here, and we will do everything we can to make them safe.

Mr. Michael Howard (Folkestone and Hythe): I thank my right hon. and learned Friend for the arrangements he has made to brief tomorrow the representatives of the resorts identified. Further to the point raised by the right hon. Member for Mansfield (Mr. Concannon), does not my right hon. and learned Friend agree that the investigations which he has reported to the House yet again underline the importance of the provisions of the Prevention of Terrorism Act? Will he join me in expressing the hope that those who have opposed this legislation in the past will reconsider their attitude in the light of these developments?

Mr. Brittan: I entirely agree with my hon. and learned Friend. I do not wish to enter a partisan note, but I was always baffled at the thought that those who introduced the legislation should have felt that it was no longer necessary. Present circumstances and events, alas, underline its enduring necessity.

Rev. Martin Smyth (Belfast, South): Will the Home Secretary accept that, with others in the community, we share in the joy at the success of the security forces and agree with the necessity to co-ordinate those forces to deal with such an attack upon the nation? Does he also accept that a recently elected Derry councillor, who five years ago carried a bomb into Londonderry guildhall, has gone on record as saying that that was a political statement? Perhaps the time has now come for the Government to reconsider the position of Sinn Fein, the political representative of the IRA, and to proscribe it as a political party.

Mr. Brittan: I shall not comment on that suggestion, but there can be no question of any political justification for acts of violence. We do not recognise violence as a means of furthering political ends.

Mr. Patrick McNair-Wilson (New Forest): On behalf of my many constituents who work and shop in Southampton throughout the year, I congratulate my right hon. and learned Friend on the magnificent success of the security services. As he has pointed out, the danger has not gone away. Will he therefore seriously consider using the Central Office of Information to mount a vigorous advertising campaign to warn holidaymakers and others of the ever-present danger?

Mr. Brittan: I am grateful to my hon. Friend for that suggestion, which I should like to consider.

Mr. James Hill (Southampton, Test): Does not my right hon. and learned Friend agree that the Members of Parliament of all the cities named will look forward to the meeting but that we must go through an educative process? We must become more vigilant to the obvious things that should be observed. I think in particular of hotel managements, hotel employees, hotel guests and everyone who frequents a restaurant. Wherever people reside, they must look for the unattended parcel and the easy hiding place.

Mr. Brittan: My hon. Friend is entirely right.

Mr. Roger Gale (Thanet, North): Will my right hon. and learned Friend convey to the Kent police force my thanks and those of my constituents for the part they played in producing this result? Does he agree that at least part of the IRA campaign was aimed at economic rather than personal targets? Does he further agree that it would be a tremendous and sad irony if, in the light of the success of the police campaign, the British public were to do the IRA's job for it by boycotting English seaside resorts?

Mr. Brittan: My hon. Friend is entirely right in his assessment of one objective of the IRA, and I share his determination that that objective should not be achieved.

Mr. Henry Bellingham (Norfolk, North-West): Is my hon. right hon. and learned Friend aware that many hoteliers in my seaside constituency will be relieved by today's news? Does he agree that this is an appropriate moment to spare no effort in tightening the control and handling of baggage and cargo at airports?

Mr. Brittan: Certainly, and my right hon. Friend the Secretary of State for Transport has taken the matter well on board.

Mr. Andrew Faulds (Warley, East): Since these perverted people have been thwarted in this campaign, is there not a danger that remaining members of that cell or other cells may still be active? Should there not be a campaign by the Government to warn the public about the risks in any public place, such as restaurants, stations or big stores?

Mr. Brittan: Naturally, I have no knowledge or information beyond what I have told the House about this campaign. The risks that the hon. Gentleman identified are real, but I do not believe that they should be exaggerated.

Several Hon. Members *rose*——

Mr. Speaker: Order. I will call the five hon. Members who are standing, but I ask them to address their questions in a somewhat different fashion. I know they are speaking for their constituents, but this is a narrow statement.

Sir John Biggs-Davison (Epping Forest): Noting the gratifying unity in the House today, may I ask my right hon. and learned Friend whether it is true that those who will an end must will the means? Is not an indispensable means to the end that we all seek the Prevention of Terrorism Act?

Mr. Brittan: Yes, Sir.

Mr. Geoffrey Dickens (Littleborough and Saddleworth): Since terrorism is the most barbaric form of protest, does my right hon. and learned Friend believe that, aided and abetted by the Secretary of State for Trade and Industry plus a very sympathetic Chief Whip, the time has come for the Cabinet, as a matter of policy, to put the Whips in and reintroduce capital punishment for terrorism?

Mr. Brittan: My hon. Friend will have observed how I voted when this matter came before the House, but I have not changed my view that this matter should not be determined on the basis of a party vote.

Mr. Ivor Stanbrook (Orpington): Will my right hon. and learned Friend be more specific about the new arrangement with the United States, which is a remarkable change in American practice on extradition? Is he sure that it will obtain the approval of Congress and the co-operation of all American judges?

Mr. Brittan: As my hon. Friend says, it will require the approval of the United States Senate, and that approval has still to be achieved. Events such as the ones that we are discussing will underline, in the United States as elsewhere, the importance of ensuring that there are no safe havens for those about whom there is suspicion of committing such acts. I hope that the ratification of this important agreement will proceed smoothly.

Mr. Peter Bruinvels (Leicester, East): In congratulating my right hon. and learned Friend on the superb work done by police forces throughout the country, may I add a word of caution? I would imagine that it is important that other members of the IRA, no matter where they are in the country, should have no more details of what we have done to date. Therefore, will my right hon. and learned Friend consider supporting what the right hon. Member for Morley and Leeds, South (Mr. Rees) said, and introduce a security clampdown? I know that the House is fully behind the police force, under Sir Kenneth Newman, and we must cut out the cancer of IRA terrorists as a matter of great urgency.

Mr. Brittan: My hon. Friend has made an important point. The information that we have been given is only a

small part of the information that is already in the hands of the police. We must all be sensitive to the primary needs of security, although the wide availability of information can assist in tracking down people on occasions such as this.

Sir Eldon Griffiths (Bury St. Edmunds): I congratulate my right hon. and learned Friend the Home Secretary and my right hon. Friend the Prime Minister on the American treaty. Can my right hon. and learned Friend confirm that, if the treaty is ratified, it will be retrospective? On the appointment of Sir Kenneth Newman, will my right hon. and learned Friend brush aside all the nonsense of the suggestions that this is a move towards a national police force? It is no such thing. Will he recognise also that the best thing that the House could do for Sir Kenneth Newman and for the police as a whole is to ensure that the Special Branch and the anti-terrorist squad have the necessary men and resources to provide bi-partisan support for the Prevention of Terrorism Act and put an end to rate-financed denigration of the police?

Mr. Brittan: I agree with what my hon. Friend said about the denigration of the police and the need for them to be adequately supported. I agree also with my hon. Friend's point about the role of co-ordination that is necessary in this case. I am grateful to my hon. Friend for what he said about the extradition arrangements. My hon. Friend asked whether the supplemental treaty would be restrospective. It will apply to any offence that is committed before or after it comes into effect.

Board and Lodging Payments

4 pm

The Minister for Social Security (Mr. Tony Newton): With permission, Mr. Speaker, I should like to make a statement on the arrangements for supplementary benefit payments towards board and lodging charges.

The House will recall that consultative proposals on board and lodging payments were referred to the Social Security Advisory Committee in November 1984 and that in March this year the Government laid regulations which came into operation on 29 April.

The regulations were designed to achieve two main purposes. One was to contain the rapid growth in expenditure and to stop the abuses that had been taking place. The number of ordinary board and lodging cases had risen from 49,000 in 1979 to an estimated 139,000 in 1984, while annual expenditure in this area had risen from £52 million to an estimated £380 million over the same period. There was widespread public criticism that young people were too easily able to settle in such accommodation at the public expense, often at levels of charges well above what could be afforded by people in work.

Our second purpose—at least as important as the first—was to ensure continued help at an appropriate level for young people who really do need board and lodging for more than a short time. We therefore took steps to exempt from time limits people such as those who were recently in care, those who have children, those who are disabled or mentally handicapped, those who are or have been mentally ill, and those who are in board and lodging as part of a programme of rehabilitation arranged by, for example, the probation service. We also exempted people living in homes qualified as hostels.

We made it clear that we would be monitoring the new regulations with great care and would be ready to make changes quickly if the need were shown. That monitoring is of course continuing, but the initial indications suggest that, generally, young people with a real need to be in board and lodging for more than a short time should be covered by the various categories of exemption from the time limits for which the regulations already provide. It is therefore important—I want to emphasise this to every hon. Member—that claimants, or anyone else who is concerned about a particular case, should ensure that any special circumstances are fully explained to the local DHSS office, which will give them careful consideration before any final decision on benefit entitlement is reached.

We have, however, decided that an additional exemption category is needed to cover young people under the age of 26 who are living with their parents or step-parents in board and lodging accommodation. Regulations to achieve this will be laid before the House shortly, and until they come into effect we shall make special arrangements to help those people to whom they would apply.

The regulations will also enable us to extend the exemption categories to cover other types of case if a need can be shown. As I have said, we believe that the present exemptions generally cover those to whom the time limits ought not to apply, but we think it right to ensure that we can act quickly and flexibly if it should become clear that there are other groups who should also be covered.

[Mr. Tony Newton]

The Government's objective is to strike a proper balance between curbing undoubted abuse and ensuring that genuine social security needs are effectively met. The additional proposals that I have made today will help us to maintain that balance.

Mr. Michael Meacher (Oldham, West): Is the Minister aware that we welcome this extension of the exempt categories, while insisting that this is an insufficient answer to the method of operating the rules, which has been shown to be exceedingly harsh and unjust? Is the hon. Gentleman aware that the restrictions which he introduced two months ago have caused hardship to innocent claimants out of all proportion to the limited abuse which they were designed to remedy? Is he aware that because, as the Government's own Social Security Advisory Committee has advised, adequate alternative powers exist for the DHSS to deal with this abuse, these rules should be suspended pending a wider and more thorough review?

Is the hon. Gentleman further aware that even after today's limited relaxation of the rules they still remain unfair, because a period of two, four or even eight weeks is inadequate in which to obtain accommodation from a local authority waiting list or housing association, to register with a GP or a dentist for medical treatment, to obtain legal rights—since bail is not granted if there is no fixed address—or even to register as a voter? Is the hon. Gentleman aware also that extending the exempt categories will not prevent reported suicides, like that of Brian Brown last year in Glasgow, or attempted suicides, like that of David Leitch in Telford, since they were already in exempt categories but did not know it?

Is the hon. Gentleman aware that where a young couple have separated and one partner has custody of the children the other partner will still not be allowed to stay for any length of time in the area where his partner lives, so that in many cases children will be deprived of access to their father? Is he further aware that the right of appeal against a decision that is tantamount to an eviction notice is still effectively abolished, since it takes longer than the two, four or eight weeks available to get an appeal heard?

Is the Minister aware that the Government continue to deal with the symptoms rather than the causes of the problems of homelessness? Is he aware that expenditure on board and lodging payments has increased so much in recent years only because of the growth in the numbers of homeless people who have been forced to live in this type of accommodation because they have nowhere else to go, due to the huge cut in public spending on house building which Government policies have brought about?

If the Government believe that the problem is caused by young people taking holidays by the seaside, why do the regulations cover the whole country and not just the seaside? Why do the Government not simply rely upon powers which they already possess under requirements regulation 9(14)*(b)*, which has always provided that a person who is on holiday and staying in board and lodging accommodation cannot have his board and lodging charges met? Is the hon. Gentleman aware that in many cases the real abuse is committed, not by claimants, but by some landlords unscrupulously exploiting guaranteed payments by the DHSS and installing cookers and switching to self-contained tenancies to avoid these regulations?

Is the Minister aware that minor tinkering, like today's package, will not deal with the problems caused by these regulations and that they should be repealed and replaced by a comprehensive programme to deal with the real causes of homelessness, including greater investment in public housing and measures to bring board and lodging within the Rent Acts so that residents are protected from arbitrary eviction? Is the hon. Gentleman aware that if he does not do that — the Social Security Advisory Committee warned him about this — the Government will be creating an army of young people forced to move around the country like nomads, unable to put down roots, to find a job or to get on a housing list, and that his concession today will do nothing to stop that?

Mr. Newton: The hon. Gentleman cannot seriously contend that there was only limited abuse, in view of some of the evidence that has been adduced and the huge increase in numbers. It was not confined, as he implies, to seaside resorts. We have evidence, for example, in one leading inland town of a 37 per cent. increase in the number of claimants in board and lodging accommodation during a period of only five months over the turn of the year, and the opening of about 100 new board and lodging establishments in a period of not much more than a year.

Mr. D. N. Campbell-Savours (Workington): Where was that?

Mr. Newton: Reading.

Of course, I accept that there was abuse and exploitation by landlords. We introduced the regulations because we were determined to curb that abuse and exploitation.

The hon. Gentleman suggests that the regulations will cause large numbers of young people to move about the country. He has only to study the number of young people who have claimed board and lodging in recent years, the huge 50 per cent. or more increase in their numbers, and the reports that have come from many parts of the country about the influx of young people to know that the previous regulations were creating that rootlessness.

Several Hon. Members *rose*—

Mr. Speaker: Order. It might be fair to hon. Members to say that, as we have an important debate in which no fewer than 30 right hon. and hon. Members wish to take part, as well as a ten-minute Bill, I cannot allow questions on the statement to run after 4.30 pm. I hope that all hon. Members will ask brief questions; then they will all get in.

Mr. Albert McQuarrie (Banff and Buchan): My hon. Friend made an interesting comment about hostel accommodation. In my constituency there is the New Bible college with 60 residents. The owners of that college have applied for registration as a hostel. If the cut-off date —8 July—comes before authorisation for registration is granted, will my hon. Friend ensure that the cut-off does not take place, thus throwing those 60 young people on to the streets?

Mr. Newton: May I look into the case that my hon. Friend has mentioned? We have two or three hostel applications currently under consideration. The best thing would be for me to have a decision made quickly.

Mr. Frank Field (Birkenhead): As the whole House agrees that many landlords are ripping off the welfare state

through the regulations, when will the Minister make a statement to the House that deals directly with that matter, rather than aiming at those landlords through claimants?

Mr. Newton: I hope that the hon. Gentleman will be fair-minded enough to accept that the restraints that we have imposed in the regulations through the time limits, and, in respect of landlords, through the financial limits, have been directed at curbing abuse and exploitation by landlords. I should not want to leave the impression that the abuse is caused solely by young people. It is important that we prevent young people from being exploited by others.

Mr. Robert McCrindle (Brentwood and Ongar): I welcome the relaxation announced by my hon. Friend. Is he satisfied that sufficient steps have been taken to ensure that claimants understand the wide categories of exemptions? There is evidence that that is one of the causes of some of the hardship. Secondly, will he take on board the fact that probation officers have been expressing anxiety because of the lack of accommodation likely to be available to young people coming out of institutions?

Mr. Newton: My hon. Friend will be aware that probation hostels would normally be exempt under the hostel provisions, and that anyone in board and lodging under a programme arranged by a probation officer would likely to be exempt.

Mr. Michael Meadowcroft (Leeds, West): The Minister is to be congratulated on easing these unworkable regulations, which were always a triumph of bureaucracy over humane and political judgments. If he will not withdraw all the regulations, will he consider two immediate exemptions: first, an exemption for those who are offered council accommodation which will be available after the end of their allowed stay; and, secondly, an exemption for those who are offered jobs which will begin after the period of allowed stay? Will he also give instructions that people be allowed to stay where they are pending an appeal? Thirdly, will he commend those authorities which have set up a system of prevention similar to that in Leeds, where the DHSS notifies people when they must move on and also notifies the social services and gives individuals a list of telephone numbers of the citizens advice bureaux and social services, which is a help when people would be allowed to stay but are unaware of their rights?

Mr. Newton: I shall consider the hon. Gentleman's first two suggestions within the terms of the power to make the extensions which I propose in the amending regulations. We are anxious that people should be pointed towards proper advice. The letter which currently goes to them tells them of the exemption categories and asks them to talk to the local office if they have problems. I am arranging for that advice to be strengthened, in the hope that we shall be able to move in the direction that the hon. Gentleman would like.

Mr. Warren Hawksley (The Wrekin): I thank my hon. Friend for his statement. Can he confirm that the BBC, in trying to exploit the case of Mr. Leach, who is a constituent of mine, was misleading the public by saying that he was still in hospital when the programme was put out and that he had tried to commit suicide because of a threatened cut in the lodging allowance that he was to receive? Will my hon. Friend confirm that in that case my efficient DHSS manager, Mr. Eade, had, before the programme went out, advised Mr. Leach that he was covered by one of the exemptions in the original proposal and arrangements and that he was exempt from the cut that was threatened?

Mr. Newton: I am grateful to my hon. Friend for his comments. I shall take the opportunity to say that I am grateful also to the "That's Life" programme for the trouble that it took to put me fully in the picture with the details of the cases that had come to its attention. I am happy to confirm that Mr. Leach, who was interviewed by the local office last Friday, will be in an exempt category when he is once again available for employment, and he has had a letter confirming that fact.

Mr. Donald Anderson (Swansea, East): Is not the Minister, who is normally so compassionate, thoroughly ashamed of his nasty little regulations? Was he not warned by the organisations working in this sphere—Shelter and the Campaign for the Homeless and Rootless—of what would inevitably happen? He went ahead notwithstanding, and the results flowed from that. Will he and his officials listen in future and disabuse themselves of the illusion that under-26-year-olds, born and brought up in their own towns and cities, have families to which they can return?

Mr. Newton: I do not see, and have never seen, anything compassionate in permitting the continuation of a system which was allowing the kind of exploitation which rightly worried the hon. Member for Birkenhead (Mr. Field). It has led to many tens of thousands of young people being trapped in inappropriate accommodation in circumstances where they probably could not even afford to take work if it were offered.

Mr. Gerrard Neale (Cornwall, North): It is impossible to suggest ways in which my hon. Friend could have been more compassionate or sensitive in his consideration of this matter. There was immediate anxiety in my constituency because of speculation that he was intending to relax the scheme. There are examples of connivance by youngsters with landlords, and that must not be forgotten. The one thing that is clear, which I hope my hon. Friend will bear in mind in all his considerations, is that there is no genuine incentive to link the search for board and lodging with finding work. In fact, at the moment there is every incentive to seek accommodation where no work exists, in order to perpetuate unemployment and the receipt of benefit.

Mr. Newton: I understand the point that my hon. Friend makes. I am grateful for his earlier remarks. The time limit and the structure, with the longest limits in the large travel-to-work areas, such as the metropolitan areas, are designed to take some account of that point.

Mr. Frank Cook (Stockton, North): Would the Minister care to put aside for one second the cynical disregard and callous unconcern that the Government have so far displayed when considering these issues and examine for a minute the decline in the availability of public housing stock for rent? Does he accept that if he measures one against the other he will see that the decline in public housing stock for rent reflects the dramatic increase in claimants which he has identified today? His hon. Friend the Parliamentary Under-Secretary of State for Health and Social Security said that

[Mr. Frank Cook]

"The Department have established a very carefully worked out catalogue of exemptions for those who would be affected by the new regulations"——

Mr. Speaker: Order. I hope that the hon. Gentleman will ask a brief question, because he made an application on this subject yesterday under Standing Order No. 10.

Mr. Cook: He said—[HON. MEMBERS: "Reading."] I am reading because it is a quotation. He said:

"Nobody in need can slip through that net of exemptions."

Who is to be believed? Were the exemptions that were announced last Thursday afternoon adequate? If they were adequate then, why do they need to be extended now? Furthermore, how does moral and physical danger stop at the age of 19?

Mr. Newton: I confirm that my hon. Friend the Parliamentary Under-Secretary of State said that there was an extensive list of exemptions in the existing regulations, covering many of the difficult cases which have caused controversy in recent days. However, it was necessary to extend the exemptions in the way that I have announced this afternoon, and it is wise for the Government to have the power to act quickly should other needs be made known to us.

Mr. W. Benyon (Milton Keynes): One welcomes the changes, but there is a large number of cases of real hardship. Would it not be right to have some form of appeals procedure whereby one case could be judged adequately against another?

Mr. Newton: My hon. Friend will know that there is an appeals procedure in respect of the category into which a claimant is placed. If he is denied exemption, he can appeal against the decision on that basis. That is a wide-ranging and important right, and it is the appropriate course to adopt, as with other parts of the benefit system when benefit is refused.

Mr. Joseph Ashton (Bassetlaw): What advice would the Minister give to the two 16-year-old girls in my constituency who live in a hostel at Watson road, Worksop, who deliberately got themselves pregnant last month so that they could stay in the hostel and not be evicted? Was it the subsequent publicity on breakfast television, on Radio 4, in the *Worksop Guardian* and in other organs of the media that persuaded him to change his mind?

Mr. Newton: Since, on the facts suggested by the hon. Gentleman, the two young ladies in question would be exempt, that does not affect anything that I have said this afternoon about additional exemptions. The suggestion that young women deliberately become pregnant has often been made in respect of local authority housing allocation policies. To the extent that that can be seen to be a problem, it is not unique to these regulations. Unless we are not to take account of such circumstances, it is always possible that people will contrive such circumstances to achieve a particular advantage.

Mrs. Edwina Currie (Derbyshire, South): Does my hon. Friend agree that much of the blame for the current anguish lies with certain voluntary and political organisations which, for a variety of motives, have not read the exemptions and have not therefore attempted to apply them? Does he further agree that if we accepted the suggestion of the hon. Member for Oldham, West (Mr. Meacher) that the board and lodging system should be brought under the Rent Acts it would solve the problem because it would wipe out board and lodging altogether?

Mr. Newton: I think that there is some truth in my hon. Friend's suggestion. Nevertheless, that does not absolve the Government, nor would I wish it to absolve them, from making sure that these exemption categories are as effective as they can possibly be made. That is what I am seeking to do.

Mr. Robin Cook (Livingston): Is it not apparent, from the host of cases of intolerable hardship that have been created in the last two months, that thousands of vulnerable young people who ought to have been exempt have been hit by the regulations, including my constituent, Brian Brown, who killed himself two days after being made homeless under these regulations? Is it not unrealistic and unjust to pass the buck to these vulnerable young people and say that mentally ill people, who may be barely semi-literate, should first work their way through a four-page leaflet to find out whether they are exempt; that, secondly, they should claim exemption; and that, thirdly, they should successfully pursue an appeal through the DHSS bureaucracy? Cannot the Minister grasp the fact that it is up to him to protect such people and that they should not be forced to have to protect themselves against him?

Mr. Newton: The letter that would have gone to Mr. Brown would have contained, not a four-page list, but a simple list of exemptions. No question of an appeal would have been involved. It would simply have been a matter of bringing the facts to the attention of the local office. It is important that not only claimants but those who have information which may be helpful to the local DHSS office should make sure that it has it. I emphasised that point in my statement. I would not wish to finish my response to the hon. Gentleman without saying that, whatever the circumstances, the whole House would wish to express its regret for what happened to Mr. Brown's family.

Mr. Roger Gale (Thanet, North): While one welcomes the flexibility that has been built into the regulations which will enable my hon. Friend and his Department to deal with the very few real cases of hardship that have been caused by the regulations, now that he has taken positive steps to control abuses of the social services system, will he discuss with the Home Office ways of preventing foreign nationals from coming to this country and creating further abuse of the system at the invitation of some of the landlords to whom members of the Opposition have referred?

Mr. Newton: My hon. Friend will be aware that we already have powers to prevent a measure of abuse. My colleagues in the Department of Employment, together with the Home Office, took additional steps early this year or late last year.

Mr. Kevin Barron (Rother Valley): Will the Minister accept that his statement that exemption categories will be extended to cover other types of case if need can be shown is no more than an admission that the regulations have been an abysmal failure and that it is terrible to inflict them upon tens of thousands of young people? Are her Majesty's Government, who cherish Victorian values, saying that young people should be like Joe in Charles

Dickens' "Bleak House", who every time he was asked by the authorities to move on said, "Where?" to which they replied, "Just move on, Joe, move on"?

Mr. Newton: If I thought that the regulations had failed in the way that the hon. Gentleman suggests, I should have proposed an extensive further list of exemptions this afternoon. I have proposed that the Government should ensure that they have the necessary flexibility to respond. I believe that the whole House will consider that that is sensible.

Mr. Tony Marlow (Northampton, North): In view of the quite reasonable concern of the hon. Member for Oldham, West (Mr. Meacher) about homelessness, will the Government put forward, with my hon. Friend's agreement, a package to strengthen private sector rented accommodation, thereby overcoming the problem at its roots?

Mr. Newton: My hon. Friend the Minister for Housing and Construction is present, and I am sure that he will have noted my hon. Friend's question.

Mr. Ian Wrigglesworth (Stockton, South): Is the Minister aware that it is no use coming to the House and suggesting that there should be flexibility, when so much hardship has been caused to so many young people, particularly in areas of high unemployment like my own? Will he explain exactly what hope this statement contains for young people? He has suggested that young people should explain their circumstances to the local DHSS manager. If he is unable to help young people because of the rules and regulations of his Department, what help will that be to young people who are suffering so much hardship?

Mr. Newton: There are two points on the hon. Gentleman's question. First, if young people make sure that their circumstances are made known to us, we can more effectively ensure that all those who are in the exemption categories are covered. Secondly, I am very anxious to ensure that if any special circumstances emerge which should make us consider using the flexibility to which I have referred, we are fully informed about them. We shall then be able to act quickly to meet those circumstances.

Mr. Jonathan Aitken (Thanet, South): Will my hon. Friend decisively reject the typically exaggerated call from the hon. Member for Oldham, West (Mr. Meacher) for the complete suspension of these rules, for the very good reason that their original purpose — the curbing of undoubtedly widespread abuse — is still completely valid?

At the same time, will my hon. Friend accept that the flexibility and extra discretion that is to be given to DHSS managers is widely welcomed? Should not discretion be applied to genuinely local young people who have been alienated from their homes and families, so that they may have a longer period than two weeks within which to find a job and make other arrangements?

Mr. Newton: I should make it clear that the greater flexibility that I am proposing is not a discretion for local office managers in the sense that my hon. Friend implied, but greater flexibility for the Government to define exemption categories to cover further types of cases if such a need should be shown. I shall reflect further on the last point made by my hon. Friend. On his first point, I think that everything that I said implicitly rejects the call made by the hon. Member for Oldham, West (Mr. Meacher).

Mr. Peter Viggers (Gosport): Does my hon. Friend agree that the scale of benefits makes it advantageous in some cases for people to leave the stability of their homes? Is he aware that parents in my constituency have expressed great concern about that? Despite all the stories that we have heard — which we accept — the maxim that hard cases make bad law is valid and the regulations can, in some cases, be socially disruptive and divisive.

Mr. Newton: I would, indeed, accept the general proposition, which is one reason why we felt that we should take action in this area. Nevertheless, I am anxious — and I hope that the House is clear about this — to ensure that we cover genuine hard cases.

Mr. Chris Smith (Islington, South and Finsbury): Why is the Minister so intent on imposing hardship and homelessness on several hundred of my constituents who this week face the end of the eight-week period? If he is concerned about abuse and irregularity, why does he not extend the fair rent system to board-and-lodging accommodation, instead of clobbering the claimants?

Mr. Newton: If I understand correctly the call for the extension of rent control, the House should perhaps realise that that would mean bringing virtually every hotel in the country within the ambit of rent control, which might create more problems than could be picked up from the hon. Gentleman's question.

I hope that it is clear from what I have said that I am not in the least intent on imposing hardship on anybody. On the contrary, I am concerned to ensure that the balance of the regulations is right.

Mr. Harry Ewing (Falkirk, East): Why is the Minister so reluctant to deal with rogue landlords, and so determined to hound young people? Does he not realise that, uncharacteristically, he is giving a good performance this afternoon of having these minor concessions dragged from him? Does he expect to come forward with any further exemptions? If so, does that not prove our case that the regulations should be withdrawn?

Mr. Newton: At the moment, it is a case not of expecting to come forward with further exemptions, but of recognising that we need to respond quickly and flexibly —which is part of what I have proposed.

On the first part of the hon. Gentleman's question, I hope that I have already made it very clear that one of our purposes is to curb abuse by landlords.

Mr. K. Harvey Proctor (Billericay): Will my hon. Friend investigate the extent to which those claimants not covered by the exemptions—and this should be widely publicised — have, under the incentive of these new regulations, taken on work since their introduction?

Mr. Newton: If I understand my hon. Friend correctly, I confirm that that would be a significant factor to which I would wish to draw attention.

Mr. Campbell-Savours: Is the Minister aware that to apply a time limit of two weeks to Workington is to treat Workington as some sort of holiday resort—a seaside town? Is he aware that that town has an unemployment rate of 20 per cent. and that it is an industrial town which does not have a tourist industry? Will he review that decision?

Mr. Newton: If the hon. Gentleman cares to make specific representations to me—and I shall take this as the start—I shall certainly consider that point.

Mr. Robert Litherland (Manchester, Central): Will the Minister stop crying crocodile tears, come clean and accept that this is a folly of gigantic proportions, which has already led to tragedy in one case? Is not this policy, which is designed to catch a few who might abuse the system, in fact discriminating against the majority? It is ill-thought out, unwarranted and should be scrapped.

Mr. Newton: If there was a problem, to use the hon. Gentleman's phrase, of gigantic proportions, it was the escalation in board and lodging, which was creating social problems and, quite frankly, diverting resources within the social security system from the real cases of genuine need on which they should be spent.

Mr. Clive Soley (Hammersmith): Is the Minister aware that in my constituency it is not uncommon to pay between £50 and £70 a week for bed and breakfast and often to be expected to share with two, three or four other people for that money? Why has he turned these people into the scapegoats of a couple of editors of the *Daily Express* and the *Daily Mail*, who feel that it is more important to pursue them than to pursue people for such things as avoiding tax or fiddling expense accounts? Does he not listen to the voluntary groups, which tell him that these wicked regulations will force more people into crime, drug abuse, alcoholism and vagrancy?

Mr. Newton: I do not, of course, accept the hon. Gentleman's charges. The limits that have been imposed in the hon. Gentleman's area, as in others, are designed to strike a fair balance and, as I have now said on a number of occasions, to prevent the sort of exploitation about which he is rightly concerned.

Mr. Harry Cohen (Leyton): Are not these regulations the new poor law, with harsh penalties for being young, single, homeless and unemployed? As well as causing considerable hardship and endangering lives and livelihoods, do not the regulations deny voting rights to several hundred thousand youngsters who will lose their votes because they are forced to move around the country? Why have the Government not come forward with special arrangements to deal with that?

Mr. Newton: The arrangements are designed to allow people a reasonable opportunity to look for work if they wish to go to another part of the country to do so. That is part of the underlying rationale, and something to which we shall stick.

Mr. Austin Mitchell (Great Grimsby): Does the Minister accept that the minimal changes made to these iniquitous regulations to save his face do nothing to make them acceptable or fair? The net result will be to create a dispossessed tribe of young people hounded from place to place, or to drive them into the arms of even more racketeering landlords in flats which will be overcrowded and overpriced?

If the Minister wants to cure abuses in seaside resorts, why has he classified the industrial town of Grimsby as a seaside resort, with only two weeks' grace—similar to Workington—before people are hounded on? Will he reconsider that case?

Mr. Newton: As I said to the hon. Member for Workington (Mr. Campbell-Savours), taking that as a specific representation about a specific local limit, I shall, of course, reconsider the matter.

As to the remainder of the hon. Gentleman's question, if there is an army or a tribe—whichever phrase he used—it was those 20,000 or 30,000 young people who represented a virtual doubling of the numbers in that age group in board and lodging in only two years. That is the problem which we were creating, and that is the problem which we are now seeking to check in a fair and balanced way.

4.37 pm

Mr. Roland Boyes (Houghton and Washington): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the need for the withdrawal of the Government's board and lodging regulations affecting homeless under-26-year-olds—the Supplementary Benefits (Requirements and Resources) Miscellaneous Provisions Regulations 1985."

I ask for the Adjournment of the House to discuss a specific matter—the regulations to which I have just referred. The matter is urgent because the Minister's statement today was unsatisfactory and inadequate, as were his answers to the varied questions raised by my right hon. and hon. Friends.

The Minister has made a minor change to a piece of legislation that I shall describe in three words—unnecessary, vindictive and wicked. It is unnecessary because it has not dealt with the problem that the Government were trying to tackle. The editorial of the Newcastle newspaper *The Journal* today emphasised that point when it said:

"It may be that the Government reacted too quickly and without proper research to deal with a situation which happened to fit their own particular set of prejudices."

The Journal is certainly not a Left-wing paper.

The Government have not dealt with the problems of landlords who exploit youngsters, nor have they dealt with the unsatisfactory nature of the property into which many youngsters will be driven.

The legislation is vindictive because it attacks the most vulnerable group of youngsters—those under 26 who are both homeless and jobless. It is especially vindictive, as the Minister should know, because of the many and varied reasons why youngsters are forced to leave home in the current difficult social climate, such as high unemployment and the consequent strain on families.

The legislation is wicked because it will lead to anti-social problems. My hon. Friends have already mentioned suicide and pregnancies, and there will be many more during the next few months.

I request the Adjournment of the House because the regulations must be withdrawn. Nothing else will satisfy Opposition Members. The alternative will be piecemeal changes to the regulations and, as television and newspaper commentators continually tell us, social problems and hardship for youngsters.

I must get this into the *Official Report*. I wrote to the Minister on 15 April and enumerated 10 to 12 points——

Mr. Speaker: Order. The hon. Member must not make a speech. He must make a case to me showing why this is urgent and important.

Mr. Boyes: This is part of my case for urgent consideration, Mr. Speaker, because I wrote to the Minister on 15 April and have not yet received a reply. In that letter I enumerated a number of points. If they had been taken into consideration, there would not have been the death of one youngster, attempted suicide by other youngsters and the other social problems that have arisen. I am sure that I speak for every Opposition Member when I say that we wish you to grant the application so that we may express as strongly as possible the need for these regulations to be withdrawn immediately.

Mr. Speaker: The hon. Member asked leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the need for the withdrawal of the Government's board and lodging regulations affecting homeless under—26-year-olds—the Supplementary Benefits (Requirements and Resources) Miscellaneous Provisions Regulations 1985."

I have listened carefully to what the hon. Member has said, but I regret that I do not consider that the matter which he has raised is appropriate for discussion under Standing Order No. 10 and I cannot, therefore, submit his application to the House.

STATUTORY INSTRUMENTS, &c.

Mr. Speaker: By leave of the House, I shall put together the Questions on the eight motions relating to statutory instruments.

Ordered,

That the draft Merchant Shipping (Fire Protection) (Ships Built Before 25th May 1980) Regulations 1985, be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Merchant Shipping (Fire Appliances) (Amendment) Regulations 1985, be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Merchant Shipping (Fire Protection) (Amendment) Regulations 1985, be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Merchant Shipping (Grain) Regulations 1985, be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Merchant Shipping (Radio Installations) (Amendment) Regulations 1985, be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Industrial Training Levy (Engineering Board) Order 1985, be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Job Release Act 1977 (Continuation) Order 1985, be referred to a Standing Committee on Statutory Instruments, &c.

That the Export of Goods (Control) Order 1985 (S.I. 1985, No. 802), be referred to a Standing Committee on Statutory Instruments, &c.—*[Mr. Biffen.]*

EUROPEAN COMMUNITY DOCUMENTS

Ordered,

That European Community Documents Nos. 12451/80 and 9826/84 concerning observation of markets for freight transport by road, rail and inland waterway be referred to a Standing Committee on European Community Documents. — *[Mr. Biffen.]*

Co-ownership of Flats

4.43 pm

Sir Brandon Rhys Williams (Kensington): I beg to move,

That leave be given to bring in a Bill to permit the residents of flats in mansion blocks and substantial conversions in private ownership to form companies with powers to acquire and manage the properties under stated rules of common ownership; to empower such a company in certain circumstances to apply to the courts for the appointment of a managing trustee; to require local authorities to keep lists of persons qualified to act as managing trustees or as secretaries of such companies; and for related purposes.

The problem at which my Bill is aimed to provide some solution is well known to hon. Members on both sides of the House and was very well aired by my hon. Friend the Member for Chichester (Mr. Nelson) in the debate on the Adjournment of the House on 24 May, to which the Parliamentary Under-Secretary of State for the Environment gave some very helpful, but at this stage still non-comittal, replies.

It is important for the House to look forward to the publication of the Nugee report. I hope that hon. Members who, like myself, have this problem in their constituencies will have the forgiveness of the House if they come forward, even at this late stage, with some specific recommendations which they hope will be helpful.

It has often been pointed out that we have a certain unbalance where the acquisition of residential freehold is concerned. The House long ago agreed that in the private sector those living in houses on long leases should have the right of enfranchisement and be able to enjoy the benefit of freehold ownership. In the public sector the Government have made tremendous strides, which we all appreciate and are grateful for, by allowing people in council houses, and also in council flats, to acquire their own property. But people living in flats in private ownership are, as it were, second-rate citizens, because they do not have the right at present to acquire their freehold. I believe that a formula can be found, which is fair to both sides, that will encourage this type of home ownership for people living in flats.

On previous occasions the House has permitted me to introduce a Bill on this subject. I hope that on this occasion the Bill will make progress, in the sense that the Minister will pay serious attention to the problems, of which he is well aware, which are really widespread in inner London and in other parts of the country. I am honoured that he has chosen to be present during the debate this afternoon. Such things are very much appreciated on the Back Benches.

I shall deal with the Bill as briefly as possible. The purpose is to provide a convenient statutory means by which the tenants and the lessees of purpose-built blocks of flats—or buildings converted so as to consist only of self-contained flats—may act jointly to purchase their landlord's interest in the property at a fair valuation. The Bill would not apply to any property in owner-occupation or to any property consisting of fewer than four self-contained flats, and it would not, of course, extend to local authority properties.

The Bill would specify that in order to exercise the right of purchase a company — which I suggest might be known as a condominium company, making use of an expression which is very well understood in the United States—could be formed, in accordance with a model

[Sir Brandon Rhys Williams]

constitution, which would include provisions to ensure that a block of flats acquired by the tenants under the Bill's provisions would be properly managed. There is a danger that enthusiastic tenants' associations might overreach themselves by acquiring properties which were in need of serious repair and then find that they could not raise enough money among themselves to look after the block properly. That, of course, would lead to dissension and bad feeling, such as there was in the days when there were two sides and the owners were reluctant to find the necessary capital and the people living in the flats felt that the block was being neglected.

The Bill would grant to a properly constituted condominium company the right of pre-emption, to be exercised within a maximum of six months. That, I think, is not very controversial. When a block has been put on the market, most people feel that a tenants' or residents' association, if it acts quickly and responsibly, should have a right of pre-emption. I hope that that will be one of the recommendations of the Nugee report. However, the Bill would only extend the right to require the owner to enter into negotiations to dispose of his interest in other circumstances where all the flats in the property are held on long lease.

The difficulty is one of valuation. Where there are mixed regimes in a block, it is extremely difficult for even the most experienced and fair-minded person to know what is a fair price for the block, because estimates have to be made of the dates on which flats under controlled rents may become available, and vacant possession will enable the owner to make a substantial gain on those particular flats.

The payments to be made by the company to acquire the building would be based on a valuation prepared in accordance with principles laid down in the Bill and provide a reasonable assessment of the current value of the vendor's interest. There should be no question whatever of the right being extended to the residents of purchasing the property on confiscatory terms. The valuation should take into account the different forms of tenure in the property and the market value of any ancillary properties, such as shops, offices or other non-residential premises integral to the block. The valuation should be subject to arbitration.

To encourage continuity of ownership, the Bill provides that if any tenant of a flat belonging to a co-ownership scheme of the type envisaged by the Bill should sell his flat within a short period after the acquisition of the building by the tenants' company, any profit he makes would be shared with the company on a sliding scale designed to give the company the main benefit of any windfall capital gains, particularly in the early years.

Where difficulties arise in the relationships between the residents and the owners or their managing agents, the right will be conferred on the residents to apply to the court in certain circumstances for the appointment of a managing trustee. This new suggestion which I am making in this Bill is, I believe, an extremely practical solution to the type of deadlock situations which occur all too often, unfortunately, in mansion blocks where tenants have a deep suspicion of the intentions of the managing agents and nothing can be done about maintenance or even routine upkeep of the block because the tenants' association is not prepared to agree to the normal operation of the service charges.

It would be permissible for a condominium company to issue debentures and also participating preference shares; and it could qualify for grant on the same terms as a housing association. I am very anxious that a residents' association, properly constituted, should have assistance in the early years from building societies and other financial institutions. All too often they are reluctant to lend money on fixed-interest terms, but willing to enter into some sort of participatory arrangement so that they can take their money out after a relatively short time with an element of profit involved. That would encourage outside finance to come to the aid of residents' associations and give them a practical opportunity of meeting the price which they have to meet if they are going to take the chance to buy the block when it is offered to them.

I am hoping to repeat in my Bill the schedule, which is a model memorandum and articles for a condominium company.

Even if my Bill were to make no progress, the fact that it was available in print would, we think, be of use to many people thinking of setting up residents' associations. I hope, therefore, that the House will give me leave to reintroduce my Bill.

Question put and agreed to.

Bill ordered to be brought in by Sir Brandon Rhys Williams, Mr. Hugh Dykes, Sir Geoffrey Finsberg, Mr. John Hunt, Mr. Anthony Nelson, Mr. Michael Shersby, Mr. Martin Stevens and Mr. John Wheeler.

Sir Brandon Rhys Williams: I emphasise that not all of my supporters will necessarily commit themselves to all the measures that I am recommending in the Bill.

CO-OWNERSHIP OF FLATS

Sir Brandon Rhys Williams accordingly presented a Bill to permit the residents of flats in mansion blocks and substantial conversions in private ownership to form companies with powers to acquire and manage the properties under stated rules of common ownership; to empower such a company in certain circumstances to apply to the courts for the appointment of a managing trustee; to require local authorities to keep lists of persons qualified to act as managing trustees or as secretaries of such companies; and for related purposes: And the same was read the First time; and ordered to be read a Second time upon Friday 5 July and to be printed. [Bill 171.]

Orders of the Day

European Communities (Finance) Bill

Order for Second Reading read.

4.50 pm

Mr. Tony Marlow (Northampton, North): On a point of order, Mr. Speaker. We have passed a business motion to allow the Representation of the People Bill to go on until a late hour. The 10 o'clock rule has been dispensed with. This is an important constitutional Bill——

Mr. Speaker: Order. The hon. Member has misread the Order Paper. That motion will be considered at 10 o'clock.

Mr. Teddy Taylor (Southend, East): On another point of order, Mr. Speaker. Back Benchers have three hours in which to make their speeches on the European Communities (Finance) Bill. Would it be in order to suggest that we have another two hours to debate this vital Bill? Can anyone but a Minister propose such a step?

Mr. Speaker: That cannot be done. The Money Resolution will provide a little additional time for debate.

Many right hon. and hon. Members wish to take part in the debate, so I hope that speeches will be brief. I shall apply the ten-minutes limit on speeches between 7 o'clock and 9 o'clock and I hope that those hon. Members who speak before then will bear that in mind.

I have not selected the amendment in the name of the hon. Member for Thanet, South (Mr. Aitken).

Mr. Marlow: Further to the point of order, Mr. Speaker. Is it or is it not possible for the Leader of the House or anyone else to move that the time for the debate be extended beyond 10 o'clock?

Mr. Speaker: No such notice has been given and notice must be given for such a motion to be moved.

4.52 pm

The Secretary of State for Foreign and Commonwealth Affairs (Sir Geoffrey Howe): I beg to move, That the Bill be now read a Second time.

The House will realise that this is the most significant piece of primary legislation affecting our position in the Community since the European Communities Bill 1972. I therefore propose to begin by putting the present Bill into a wider perspective, by making plain to the House the important part which Community membership plays across the whole range of our foreign and economic policies.

Our role as a leading member of the Community is increasingly central to our position in the North Atlantic Alliance, to the quality and weight of our contribution to the dialogue between East and West and, indeed, to our ability to maintain a worldwide foreign policy. It is the effectiveness of our presence in the Community which is the key to our influence on the future of Europe, and so to our capacity to promote Britain's interests in the wider world.

With or without our membership, the European Community would be a major factor in Britain's economic life. If we were outside, we would have free access neither to a single large market for our goods and services, nor to a group of countries which can serve as partners in the battle to compete in the new technologies. If we were outside, the problems created by agricultural subsidies in the Community itself, the United States and elsewhere would be much more serious for us than they are. If we were outside, we would experience the impact of Community policies without being able to shape or influence them.

Those are only some of the reasons why our future so plainly lies within the European Community. That is why the great majority of the House is now rightly concerned that we should succeed in that setting. I want in this debate to show how we have already brought our influence to bear in the Community, and to describe the opportunities that have opened following the agreement reached at Fontainebleau last year.

The wider debate is, of course, already well under way about the development of the Community's policies and institutions over the next decade. There is a new and growing determination to achieve a genuine common market in goods and services; to ensure that Europe can make the most effective use of its economic strength, compete successfully in world markets, and so offer long-term job opportunities for its peoples.

The Community of ten will soon become the Community of twelve. Spanish and Portuguese membership of the Community will reinforce democracy in those two countries. The wider Europe will be able increasingly to work together in external affairs.

All this has been made possible by the agreement reached at Fontainebleau. At the core of that agreement was the solution of what became known as "the British budget problem". That is the question which this Government placed firmly at the top of the Community agenda when we came to power in 1979. The problem was not just that Britain was paying too much. It was a problem that itself lay at the heart of the whole structure of the Community. It was a problem that our predecessors had completely failed to solve, a problem which was tackled in earnest for the first time only by the present Government.

The urgency of the problem was sharpened by the mounting cost of the common agricultural policy and by the imminence of Spanish and Portuguese accession, but it was brought to a head and brought to a conclusion only by the tenacity of this Government: by our determination to secure a fairer system and to fight hard for our interests within a strong and vigorous Community.

As the House is well aware, long and hard negotiations were necessary, in the first place, to persuade our partners to accept the basic validity of our argument; and then to persuade them — no less difficult — to accept the consequences for themselves of putting our financial contribution to the Community on to a fair basis.

The agreement reached at Fontainebleau, the effect and consequences of which are embodied in the Bill that is before the House today, was then the culmination of a long process. It has been a process in which my two predecessors as Foreign Secretary, and my successor as Chancellor of the Exchequer, have all battled tenaciously, under the leadership throughout of my right hon. Friend the Prime Minister. The house should pay tribute to them all.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): Tell us what you have done.

Sir Geoffrey Howe: I am much too modest to say but, as the Prime Minister told the House last year, the outcome of those negotiations was good for Britain and good for the Community. It is better than anything else previously on offer. It is far better, of course, than the reforms proclaimed by the Opposition when they were in office. We have achieved the fundamental change in the operation of the Community which eluded them completely.

It is difficult to overstate the significance of what was won at Fontainebleau. We secured the repayment of our 1983 refund of £434 million. We secured agreement to our abatement for 1984 of £600 million. Most important of all, we secured agreement to the establishment of a durable system for the abatement of our contribution. That system is embodied in a legally binding form in the own resources decision which the House is, in the first subsection of this short Bill today, being asked to approve for inclusion in the list of Community treaties in the European Communities Act 1972.

The agreed arrangement features an automatic system for the abatement of our VAT contribution. In 1986 alone, this will be worth around £830 million to this country. Over the next three years, it will be worth £2·5 billion. Henceforth we shall be contributing only half what we would have had to pay under the present 1 per cent. ceiling. That is the effect of the agreement which I am today commending to the House.

Mr. Marlow: Is my right hon. and learned Friend about to say that, although we are about to agree to Community own resources of 1·4 per cent., we shall be paying less than 1 per cent.—that is, of course, after rebate? My right hon. and learned Friend will know that the average cost after rebate over the last four years of United Kingdom Community membership in VAT terms has been 0·5 per cent. What are the additional benefits for us from doubling our percentage VAT payment over future years?

Sir Geoffrey Howe: If my hon. Friend will be kind enough to listen to me, I shall deal with precisely that question.

It is important to recognise that the rebates that we were receiving in the years before Fontainebleau were themselves on a declining trend. It is important to recognise that figures such as those offered by my hon. Friend the Member for Northampton, North (Mr. Marlow), averaged over a four-year period, and those averaged over the period to 1972, are wholly fictitious and misleading. They take account of the low figures payable during the long transitional period. I want to focus on the figures that were payable during the last year before Fontainebleau and the figures that would have been after Fontainebleau, if it had not been achieved.

Mr. Marlow *rose*——

Sir Geoffrey Howe: My hon. Friend will have his opportunity to speak.

As a result of the agreement made at Fontainebleau, France will contribute to new Community policies through the allocated budget at a rate of 26 per cent., Germany will contribute at 31 per cent. and the United Kingdom will contribute at only 7 per cent. France is now becoming a significant net contributor to the Community budget for the first time. Within two or three years, France is likely to be a larger net contributor than the United Kingdom.

The system is worth more to us than the previous refund arrangements, and it has many other advantages. We shall no longer have to negotiate about the amount, argue about the timing or justify how the money is used. Instead of ad hoc and arbitrary refunds, our VAT contribution will be reduced automatically and without procedural argument each year. The system is built into Community law. It will last as long as the 1·4 per cent. ceiling remains in place —*[Laughter.]* The hon. Member for Hamilton (Mr. Robertson) should listen to the facts and face them. That can be changed only by the unanimous decision of the member states and with the agreement of all their Parliaments, including our own. There can be no change in the system and no further increase in own resources without the consent of this House.

Mr. Eric Deakins (Walthamstow): I am grateful to the right hon. and learned Gentleman for giving way. Does this mean that we shall have another bargaining session in a couple of years' time in which we shall be blackmailed into giving way on the 1·6 per cent. to maintain our rebate? What sort of deal is that for this country?

Sir Geoffrey Howe: In the absence of unanimous agreement by every member state and endorsement by every member state's Parliament, the status quo continues.

Several Hon. Members *rose*——

Sir Geoffrey Howe: I realise, of course, that hon. Members wish to be satisfied that it was right to secure our abatement mechanism in the context of the increase in own resources.

I am convinced that the approach which we adopted was right. Unless we had been willing to consider the increase, there is no doubt that our partners would not have been ready to agree to any further refunds for the United Kingdom——

Mr. Teddy Taylor *rose*——

Mr. Nicholas Budgen (Wolverhampton, South-West) *rose*——

Sir Geoffrey Howe: —let alone to accept the lasting system of abatements that we have now secured. I remind hon. Members that, whatever the justice of our case, we had no automatic right to a rebate. The automatic right to rebates is something that we have secured, and could only have secured, by success in these negotiations.

Mr. Budgen *rose*——

Mr. Ron Leighton (Newham, North-East) *rose*——

Sir Geoffrey Howe: Let me seek to quell the interested crowd of inquiries by taking the interventions of two or three of the prime candidates.

Mr. Teddy Taylor: Has my right hon. and learned Friend seen the public expenditure White Paper which states that, in 1987, our contribution after Fontainebleau will be £973 million net, after all repayments? Is not this argument about rebates rather like my wife saying that she can get a bigger discount at Harrod's if she buys a mink coat rather than a fox fur?

Sir Geoffrey Howe: I appreciate that my hon. Friend has developed that joke on previous occasions, but it has nothing to do with the case. As a result of Fontainebleau, we shall pay half what we would have paid. We shall pay a VAT rate of less than 1 per cent.

Mr. Nicholas Winterton (Macclesfield): But it is not less money.

Sir Geoffrey Howe: I shall allow my hon. Friends to make their own points in their own speeches.

If the 1 per cent. ceiling had remained in place, we should have had to make a net contribution of £1·5 billion to the Community in this financial year. As a result of the Fontainebleau agreement, and despite the accompanying increase in own resources, our annual net contribution will be half that size.

Mr. Budgen: Will my right hon. and learned Friend give way?

Sir Geoffrey Howe: No.

Mr. Leighton *rose——*

Mr. Deputy Speaker (Sir Paul Dean): Order. We cannot have several hon. Members on their feet at the same time. It seems quite clear that the Foreign Secretary is not giving way.

Sir Geoffrey Howe: In the year immediately before Fontainebleau, we were contributing at £2·5 million a day. Those arrangements ran out last year. Without the Fontainebleau agreement, and relying on the 1 per cent. ceiling, we should have had to contribute at £4 million a day. After Fontainebleau, even with increased own resources, we shall be contributing at £2 million a day.

Mr. Leighton *rose——*

Sir Geoffrey Howe: That is the reality — a formidable reduction of that which would otherwise have been available. The only effect of failing to pass this Bill would be a continuing and substantial increase in the amount payable.

Mr. Leighton *rose——*

Sir Geoffrey Howe: What is more, as part of the Fontainebleau agreement, we have secured a system of budget discipline——

Mr. Budgen *rose——*

Sir Geoffrey Howe: —which has been one of the key objectives on both sides of the House.

Mr. Leighton *rose——*

Sir Geoffrey Howe: The essence of that discipline is the establishment——

Mr. Leighton *rose——*

Sir Geoffrey Howe: No, I shall not give way for the moment. The hon. Gentleman must be patient.

The essence of that discipline is the establishment of a financial guideline designed to ensure that agricultural spending grows at a lower rate than that of the own resources base as a whole.

Mr. Marlow: You do not believe that!

Sir Geoffrey Howe: The system was described by my hon. Friend the Member for Edinburgh, Pentlands (Mr. Rifkind) in the debate in the House on 11 December last year.

My hon. Friend the Member for Northampton, North said "You do not believe that." I invite him to address himself to the reality. The system of budget discipline which my hon. Friend the Member for Pentlands described is now plainly coming into effect. The Community showed its determination to start the process of reform in last year's price fixing.

Mr. Leighton *rose——*

Sir Geoffrey Howe: This year, the discipline has been seen in full operation. The effectiveness of the discipline has to start with the Commission, which is responsible for the price proposals. That is exactly what happened. The Commission's proposals this year were, and still are, within the 1986 guidelines. The Commission has undertaken to ensure that the final costs of the price fixing are within the agricultural figures already agreed by budget Ministers.

Mr. Budgen *rose——*

Sir Geoffrey Howe: My hon. Friend will have his opportunity to speak later.

Perhaps I might give an insight into the figures. The percentage increase in guaranteed spending in 1983 was 28·3 per cent. It was 15·6 per cent. in 1984, it is 8·4 per cent. for 1985, and the increase in the provisional draft budget for 1986 is 2·5 per cent. We could not have achieved a more dramatic deceleration than that. As a result of that decrease, the real price cuts imposed on the CAP last year were 4 per cent., as a result of which the real price cuts imposed on the CAP this year are 3·5 per cent. If that does not amount to the effective imposition of budget discipline, I do not know what does.

Mr. Budgen: Bearing in mind my right hon. and learned Friend's assurances that all will be well in the future, will the Government give a clear undertaking that they will not ask again for an increase in own resources to 1·6 per cent. before 1 January 1988?

Sir Geoffrey Howe: The position remains as I have stated it. Budget discipline is now in force and effective. There can be no question of this Government or any other, or of the Council, considering the prospect of an increase in own resources without taking into account the need for unanimity in the Council and endorsement by the House. Then, as now, we shall have to take account of the fluent and persuasive advocacy of my hon. Friend the Member for Wolverhampton, South-West (Mr. Budgen) and others.

Mr. Nigel Spearing (Newham, South): Will the right hon. and learned Gentleman give way?

Sir Geoffrey Howe: Perhaps the hon. Gentleman will allow me to continue for a moment.

For next year, the pattern is the same. The Commission's preliminary draft budget for 1986 proposes a figure for agricultural spending which, at 64 per cent. of the Community total, is also well within the guideline.

That is also so in the Council this year. Price cuts have been agreed for tobacco and most fruit and vegetables. Prices for wine, beef and sheepmeat have been frozen. Milk quotas have been reinforced and a further 1 per cent. cut in quota implemented. Even on cereals, the argument has not been, as so often in the past, about a price increase but about the size of the price cut. Once again, in the Agriculture Council we saw a 9:1 situation. But this time it was not Britain alone arguing with the rest of the Community against price increases, but Britain and eight other member states all arguing for a price cut, and achieving it.

Mr. Spearing: Does the Foreign Secretary recall that at Stuttgart he said that his conditions for increasing VAT to 1·4 per cent. would be effective budgetary discipline and a rebate mechanism? He has achieved the second. Does he agree that budgetary discipline is not enshrined in the Bill? Regulation 4972/1/82 is but a conclusion, which, according to the European Scrutiny Committee, does not have legislative force. As a former Chancellor of the Exchequer, how can he ask the House for legislation to pay more without legislation constantly to control what is being paid?

Sir Geoffrey Howe: I appreciate the hon. Gentleman's point, to which he has previously directed attention. The agency and institutions of the Community have committed themselves in the decision to which the hon. Gentleman refers to be bound by budget guidelines and discipline along those lines. If one looks at the way in which those matters are being applied, one sees that the institutions of the Community are applying precisely that budget discipline.

The hon. Gentleman refers to my past as Chancellor of the Exchequer, and I know only too well that the battle to sustain budgetary discipline, whether nationally or internationally, must be fought year after year. In maintaining the pressure for reform of agricultural policy, as the House would wish and as we shall, none of us should delude ourselves that there are easy options open to us, either within the Community or outside it. It is a matter of sustained application of political will. No automatic device can achieve that.

The Community has not been alone in devising a system which has paid for the real benefits of security of supply, and decent living standards for those who work on the land by subsidies, which have imposed a heavy burden on taxpayers, and strains on relations with trading partners and on Third world producers. The United States, for example, is in a similar position. The problem cannot be solved by denunciation, but only by determined reform from within. That is precisely the programme to which the Government and the Community are now committed. We shall sustain that programme.

Dr. Oonagh McDonald (Thurrock): The Foreign Secretary has just said that the budgetary battle must be engaged in each year, both nationally and in the EC, yet the Economic Secretary to the Treasury in his article in *The Times* today said that the reason for voting for the Bill should be because it will prevent a return to the guerrilla warfare that has characterised EC budget discussions for many years. Perhaps the right hon. and learned Gentleman would care to get together with the Treasury so that they can put forward one reason for the Bill, and not more than one.

Sir Geoffrey Howe: I am delighted that the hon. Lady has read my hon. Friend's article, but sorry that she has not seen as much wisdom in it as she should have done. The sentence she mentioned precisely reinforces the point that I made earlier, but which she may not have noticed. I have said that from now on there will be no guerrilla warfare from year to year between Community states about the British budget contribution. All that is resolved, and a durable system has been put in place. The hon. Lady must understand that, not surprisingly, my hon. Friends and I are making precisely the same case — and an extremely good case.

We have achieved the conditions that we set before we should be ready to agree to any increase in own resources. The increase proposed for the Community as a whole is to 1·4 per cent. That represents an increase of up to 20 per cent. in the own resources available to the Community. For Britain it is justified by the plain fact that we shall be better off after the increase than we were beforehand. But there are much broader arguments than that for the change.

The change is required to finance the costs of enlargement, which will grow to between 0·1 per cent. and 0·2 per cent. of Community VAT by the end of the transitional period. It has always been accepted that Spain and Portugal, which will be among the poorest members of the Community, should not find themselves net contributors. The Community as a whole has decided that it is worth making some financial contribution in return for the wider benefits of enlargement: an enlarged area of stability and democracy and a larger common market.

The increase is justified to finance the development of new policies, especially in the new technologies where we can operate more effectively as a Community than we can alone.

Mr. Marlow *rose*——

Mr. Eric Forth (Mid-Worcestershire) *rose*——

Sir Geoffrey Howe: I shall give way in one second to my hon. Friend, who has not yet had a bite of the cherry.

The increase is justified to meet existing commitments, which, in the past two years, have required supplementary finance. From now on, those commitments will be met within the framework of budget discipline that I have described.

Mr. Forth: As the House has never yet had an opportunity to give its opinion on the policy of enlargement, does my right hon. and learned Friend agree that for those of us for whom enlargement is not a wise policy his reason for the measure is invalid, and puts us in great difficulty? Does he agree, therefore, that it would have been easier for us if we had discussed and considered enlargement separately, instead of it being brought in under the carpet today?

Sir Geoffrey Howe: My hon. Friend will have to address himself to that question. If he finds that that argument is not persuasive, I hope that he will be persuaded by the other arguments that I have put forward. He will have an opportunity specifically to discuss enlargement when the accession treaty comes before the House. I have been giving the House a range of arguments why the Bill and agreement should be endorsed, four or five of which are in the interests of the Community, and one of which is overwhelmingly in the interest of the United Kingdom.

The increase is required because the VAT ceiling applies to the highest rate for any single member state. The mathematical consequence of abating the United Kingdom VAT rate is that the VAT rate of every other country increases. While other member states will be contributing to the budget at more than 1 per cent. VAT, we shall be contributing at less than that figure. Compared to the 1 per cent. that we would have paid, if we had stuck with the present ceiling——

Mr. Marlow: In the past, the figure for rebate has been only 0·5 per cent.

Sir Geoffrey Howe: It may have been 0·5 per cent. in the past but it will be a full 1 per cent. in future, which is a great deal more than we hoped to gain under the agreement.

Compared with that, our effective rate in 1986 will come down to about 0·8 per cent. That is the reduction which we have sought to achieve.

Mr. John Townend (Bridlington) *rose*——

Sir Geoffrey Howe: Forgive me, but I shall not give way. I must now proceed some distance.

I should like now to turn to the other part of the Bill before the House today: the second subsection, which provides for the intergovernmental agreement on the 1985 Budget.

The 1984 intergovernmental agreement was dealt with by a special Supplementary Estimate and a Consolidated Fund Bill. That was an exceptional procedure justified at the time by the urgency of making our intergovernmental agreement payment. This time round, we have chosen to use primary legislation, not because we consider inappropriate any other procedure, including use of section 1(3) of the European Communities Act 1972, but because there is a substantive link between the own resources decision and the intergovernmental agreement, and we wanted to give the House the fullest opportunity to debate both together. The House can hardly complain about that.

The intergovernmental agreement is essentially a transitional measure to cover the period until new own resources come in on 1 January 1986. It is a legacy from the period before the budget discipline agreement came into force.

About half our gross contribution under the present intergovernmental agreement of £250 million is likely to come back to the United Kingdom as receipts. Moreover, in contrast to the 1984 agreement, the expenditure covered by this intergovernmental agreement enjoys the full abatement agreed at Fontainebleau. Our net contribution will therefore be much smaller than the figure of £250 million that has caught attention. It will be only one sixth of that.

We accepted this year's intergovernmental agreement only when we were satisfied that three conditions had been fulfilled. They were that the position of this House on the authorisation of the funds had been fully protected; that the amount involved was the irreducible minimum required to meet obligations; and that the United Kingdom's 1984 abatement of £600 million was fully assured.

The reforms of the Community budget that we have achieved were necessary for their own sake, but they were more important than that. They provide the basis for the wider reforms we are now pursuing, to make the Community work better for the benefit of its citizens.

Let me close by telling the House something about our objectives. It is important that hon. Members should have these in mind as they consider the present proposals for financing the Community in the years ahead.

With the Fontainebleau agreement behind us, Britain has been able to make completion of the common market by 1992 the top priority of Commission and member states alike. The effective establishment of a single large market will not only give us an opportunity to exploit our strengths and skills; it is crucial to the creation of wealth and jobs and to the generation of profits that can stimulate research and the successful exploitation of our inventive skills. Completion of the common market is the biggest single contribution that we can make to enable European companies, British companies, to exploit and market their research on a European scale and so compete in world markets efficiently and successfully. That is the way to cut the dole queues throughout Europe.

In the run-up to this week's meeting of the European Council in Milan, we have put forward a number of ideas based on the guiding principle that we must decide as a Community what it is that we want to do, and can do better together, and then ensure that we have the means available to achieve those ends.

That is why we have put forward proposals for a timetable for completion of the common market, and for improvements in decision-taking through greater use of majority voting and through a safeguard procedure to ensure that member states do not abuse their capacity to block decisions. The ability to uphold a vital national interest by insisting on unanimity is maintained. We also propose formalisation of political co-operation, including the establishment for the first time of a very small secretariat to ensure continuity and co-ordination.

The opportunities are now open to us to make the most of our membership of the Community. It was for that purpose that the Government set out to achieve, and have achieved, a significant change in the basis of our membership. We have been strengthened in that task by the support of the House and by the detailed work of the Select Committee on the Treasury and Civil Service and the Scrutiny Committee, to the Chairmen and members of which I pay tribute.

Today, the House has to make a judgment, just as at Fontainebleau my right hon. Friend the Prime Minister and I had to make a judgment, on what was then and is now in the interests of the country as a whole. I am in no doubt that the agreement achieved at Fontainebleau represents a very good deal for Britain and a significant step forward for the whole Community.

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak) *rose*——

Mr. Townend: Will my right hon. and learned Friend give way?

Sir Geoffrey Howe: No, I am afraid not. I am now drawing to a close, because hon. Members would like me to do so.

My judgment is that, if we had taken the negotiations at Fontainebleau up to and beyond the point of breakdown, we should have not only lost the chance of a financial deal very favourable to Britain but destroyed the chances of starting the whole process of reform that is now under way. If we had sought to hold out and rely on the 1 per cent. ceiling, we should now be facing a net contribution to the Community budget that would be costing us not £2 million but £4 million a day. Instead of being able to mobilise the majority that is now taking in hand the reform of the CAP, we should have been in a minority of one trying in vain to challenge a budget that was still devoted to increasing expenditure on t e CAP.

I do not believe that we would have been acting in the interests of the country to pass up that opportunity. Nor do I believe that the House would have wished us to embark on the only alternative means of securing a reduced British

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contribution—by unilateral action that would have been a breach of our treaty obligations and would have dealt a severe blow to our relations with our major allies.

Mr. Beaumont-Dark *rose*——

Sir Geoffrey Howe: I am sorry, but I shall not give way.

We have shown by the agreement at Fontainebleau that we can achieve our purpose by determined negotiation. *[Interruption.]* We achieved our purpose in that agreement by negotiation of precisely that kind. It is the outcome of that resolute campaign, pursued by the Government for the past six years, which is embodied in the Bill. On that basis, I commend it to the House.

5.24 pm

Mr. George Robertson (Hamilton): I dare say that some people will be wondering why the Foreign Secretary is moving the Second Reading of the Bill, because, after all, it is presented in the name of the Chancellor of the Exchequer. However, for an explanation perhaps the House need look no further than the coverage of the European Community in Sunday's newspapers. All over both the quality and tabloid newspapers was spread the new hero of European politics — the British Foreign Secretary, now to be the saviour of the Milan summit. With amazing, not to say suspicious, unanimity, the papers suddenly see British initiatives, British leads and British solutions to the demise of the much-vaunted European union summit. Even yesterday's edition of *The Times* reached the stage of referring to

"Britain's quiet takeover of the Community this year"

in good humoured and well-orchestrated style.

Presumably the Government's business managers, who have been under siege recently, believe that if the Foreign Office could pull off such a well-organised publicity stunt, transforming what will be a collective lack of any new ideas about revitalising Europe in Milan this weekend into a triumph for British statesmanship, the same architects of the same public relations agency might just be able to pull off the same trick today with the Bill. Certainly they did not imagine that the Chancellor could do the same trick. Instead, the great conjuror himself has managed the three-card trick this afternoon and come up with each faceless card in turn.

The Bill represents a confession of failure, not success —a failure by the Government's own explicit standards which they laid down at the Fontainebleau summit last year, and a failure — indeed, a national humbling — which will now be enshrined in British law. The Bill is designed to increase the resources of the European Community by between 20 and 40 per cent., and endorse yet another free gift, or donation, as it was so well described in a previous debate, of another £250 million, but in return for what?

Mr. Robert Jackson (Wantage): While the hon. Gentleman is talking about free gifts and donations, will he remind the House of the precise total sum of money yielded by the budget rebate mechanism negotiated by the Labour Government in 1974?

Mr. Robertson: The Foreign Secretary has already explained, in answer to criticism from Conservative Members, the difficulty of comparing earlier years, when transitional arrangements applied, with the present fiasco. It cannot easily be done.

The Bill is in return for what? It is in return for worthless promises on budget discipline, in return for a rebate which we shall eventually help to pay for ourselves, and in return for cashing in the only effective bargaining lever that this nation had for European Community reform. The deal which we are being asked to rubber-stamp today is little less than a sell-out, which will cost the country money, because, despite the much-trumpeted rebate and abatement, we shall still end up paying more cash to the European Community within the next two years. The deal is not permanent, because the new increase in the Community's own resources is already almost totally committed for 1986, as figures from the European Commission itself show. We shall be back at the negotiating table late next year when the cash finally runs out.

The deal has done nothing to control farm spending —that monster which piles up mountains of immovable, undisposable rotting food — while Europe's jobless millions continue to be ignored. Yet again only lip-service was paid to them in the speech of the Foreign Secretary, in a way that was paralleled only by his hon. Friend the Minister of State, Foreign and Commonwealth Office, when he opened the debate last Thursday. The veto two weeks ago by West Germany on the already feeble cereal price cut says it all. The Government have had five years of conflict and souring argument with our European partners, and have finally been sold an expensive pup. They have achieved nothing of substance, and have set the scene only for the next round of the fight.

Ministers may find it convenient to portray all opposition to that deal as arising from instinctive hostility to the European Community. That is of course convenient, but it is not true. For some people that has an element of truth, but the sordid way in which the sell-out is being oversold as a success will only feed the prejudices of those who, in any event, hate the Common Market and all that it stands for. The accusation will not stick.

Many others, both inside and outside the House, who criticise this foolish and injudicious package — those who, like myself, have always supported British membership of the Community — see in this deal the objectives of the European Community betrayed, the genuine motivations of the Community undermined and its raison d'etre and potential subverted by a shoddy compromise which continues the present shambolic financial arrangements and leaves Europe still unable, unwilling and almost incapable of meeting the major challenges of unemployment, of a continent-wide recession, and of the need for growth of investment to permit competition with the rest of the world.

The Economic Secretary to the Treasury has, with a rare high profile for him, put his case—a case which has been transferred tonight lock, stock and barrel from the Treasury to the Foreign Office—in print in *The Times* today. In an article which reads rather like an election leaflet, he says:

"we achieved a system of budgetary discipline designed to bring the growth of Community expenditure under much tighter control . . . we see that the new budgetary disciplines are now beginning to bite . . . Fontainebleau has changed the rules for good."

How different from the cautious, defensive responses from the hon. Gentleman in the pounding which he now regularly takes from the Treasury Select Committee. How colourful the language of that article compared with the meandering, conditional, reserved statements that he used in the House in January of this year, when the last topping-up exercise was made to EEC coffers. Yet what a fiction it is that is being peddled by the Government, a fiction which recent experience has already shown up in graphic style.

Last year the Prime Minister made the position clear when she told the House that only after a satisfactory agreement on expenditure control had been settled would she wish to put proposals to the House to implement the whole package. The Foreign Secretary used virtually the same words on 10 July, when he said:

"only"—

note that the word "only" was used once again—

"when Finance Ministers have adopted the necessary measures on budget discipline will the Government be prepared to recommend to the House that the own resources ceiling should be increased."—[*Official Report*, 10 July 1984; Vol. 63, c. 897.]

The great trick employed by the Foreign Secretary today is to pretend that everything that he said would happen has happened. Against all the evidence to the contrary, the right hon. and learned Gentleman simply says, "We asked for budget discipline. They agreed to that, and what we have — whatever the outside world may say and whatever all the evidence suggests — is budget discipline."

The facts are totally different from that. Has such control been settled? Only enough to justify today's package. There is no sign that that control has been given. The key to budget discipline is in the common agricultural policy, and that is up as a proportion from 68 per cent. of the budget last year to 74 per cent. this year. It is consuming most of the assets of the Community, mainly in piling up food mountains.

Mr. Forth: Does the hon. Gentleman agree that the likelihood is that the entry of Spain and Portugal into the Community will increase the political pressure on the EEC for higher spending, as both those countries have a direct vested interest in the maximum expenditure by the Community, as they are likely to be beneficiaries? That is another factor which throws increasing doubt on the effectiveness of budget discipline in the political sense.

Mr. Robertson: The hon. Gentleman is right. The pretence is that the additional resources being voted today will go to commendable and worthy projects, such as the new technology community, which, among his other fine initiatives, the Foreign Secretary has been proposing—none of which has been notified to the House.

The documents containing the Foreign Secretary's suggestions for the reform of the Community that will be before the Milan summit have not even been placed in the Library of the House of Commons. They appear to be available to the European press and, it seems, they are available in Brussels, but they are not available in this House. Yet they will be discussed as a British initiative at Milan next weekend. The way in which the House of Commons is being treated is an indication of how little value the initiatives will prove to be.

Three weeks ago, Mr. Frans Andriessen, the Commissioner for Agriculture, outlined the Commission's latest thinking on long-term developments in the common agricultural policy. As *The Guardian* put it, Mr. Andriessen

"insisted that the starting point for reform must be the control of prices. 'Let us have no illusions on this point. If the Community cannot succeed in controlling the markets through a restrictive price policy, sooner or later we shall find ourselves extending the empire of quotas.'"

That is to be the target of those operating the guidelines for the common agricultural policy's internal budgetary discipline. That is to be the financial constraint and the real budget mechanism.

However, certain statements have already been made about that by some Ministers. For example, the Economic Secretary to the Treasury said in evidence before the Select Committee:

"I think the first demonstration of the effects of the budget discipline is that the agricultural price-fixing proposals for this year were put forward by the Commission within the guidelines."

Thus, the proposals put forward by the Commission within the guidelines were to be the criteria by which we would judge the effectiveness of the financial discipline. Indeed, the Economic Secretary went on to say that the Agricultural Council had demonstrated that the guidelines imposed a tight restraint on agricultural expenditure.

How peculiar, in the light of that, to consider the history of the price proposals. The Commission first asked for a 5 per cent. cut in key cereal prices. That was thought to be demanded by the guidelines on budget discipline. It then allowed itself to be negotiated down to an unnegotiable 3·6 per cent. cut in cereal prices, and it was on the basis of 3·6 per cent. that the intergovernmental agreement which we are being asked to endorse was calculated. However, within days of the 3·6 per cent. figure being debated the Commission moved down to an almost ludicrous 1·8 per cent. proposed cut in cereal prices.

There followed the veto by West Germany. How could budget discipline be guaranteed by the self-restraint of the Germans if, on the first occasion when budget discipline was tested, they used the veto and reduced the effectiveness of the Commission?

In January, the Minister of State, Foreign and Commonwealth Office even dared, when replying to the debate on the European Communities budget, to quote the German Finance Minister, Herr Stoltenberg. Our Minister, justifying German self-interest as a reason for maintaining budget discipline, said that Herr Stoltenberg had said:

"We now have for the first time an effective instrument to bring about a sensible control of expenditure."

The Minister went on:

"It is therefore easy to see why Herr Stoltenberg . . . and the French Finance Minister, will have an enormous vested interest in ensuring proper control of expenditure".—[*Official Report*, 22 January 1985; Vol. 71, c. 948.]

Why should we bother to speculate about budget discipline when the one guarantee which the Minister offered the House in January of this year was vetoed six months later by the German Government? It is far easier to see why the pious words of January and the silly words in *The Times* today are to die along with budget discipline on the altar of the Bavarian farmers' vote.

Agricultural spending will still be demand-led. It will still rage on with loopholes and ineffectual paper guidelines pushing up expenditure. The only effective controls will be on the worthwhile side of Community spending — on the regional and social funds, energy, technology, pollution control and research. With the

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common agricultural policy, we shall simply continue to pay the Bills. It is truly bizarre to see the Government so obsessed with controlling and savagely cutting expenditure in this country but maintaining such a profligate attitude to expenditure in the European Community.

Mr. Marlow: I am grateful to the hon. Gentleman for giving way, particularly as he has just made the point that the Government are about to double our VAT take from 0·5 to 1 per cent. Will the hon. Gentleman address himself to another part of the Government's justification that the entrance of Spain and Portugal is like motherhood and apple pie, that it is a good thing and that we should all want it? The Foreign Secretary said that the cost of that will be equivalent to 0·2 per cent. of the VAT take, but that does not start until next year, and it will be up to 10 years before it is effective, so how is that a justification for increasing VAT today?

Mr. Robertson: Unlike the hon. Gentleman, the Opposition welcome the accession of Spain and Portugal to the European Community. We believe that it will have major benefits for them and for the wider Community. However, it is absurd for the Government to pretend that the increase in own resources is necessary solely to finance the accession of Spain and Portugal which, as the hon. Gentleman has said, has now been specifically identified as a negligible part of the funding. There is a great suspicion that the bulk of the additional resources will go in exactly the same way as they have always gone in the past—to finance the uncontrolled farm spending of the Community.

Mr. Budgen: As the Opposition favour the accession of Spain, Portugal and also, I believe, Greece, will the hon. Gentleman tell the House what calculations the Labour party has made of the cost of accession of those countries? Do the Opposition believe that it will inevitably combine with increasing costs of supporting farm surpluses and lead to the Government's coming to the House again before 1 January 1988 to ask for an increase in own resources to 1·6 per cent., as seems to be half promised in the Fontainebleau agreement?

Mr. Robertson: One does not have to be a statistical genius—I assure the House that I am not—to see that if the common agricultural policy remains in its unreformed state there is no question but that the money will run out. That is a point which the Foreign Secretary has signally failed to grasp. However, that does not alter the fact that the accession of Spain, Portugal and Greece can still be desirable and be contained within the budget of the European Community if the common agricultural policy excesses are controlled.

The Economic Secretary to the Treasury said in an article in *The Times* today:

"Fontainebleau has changed the rules for good."

That is a prophecy and a half, especially from a Minister who has crawled back to the House time and time again with demands for refundable advances and supplementary payments and who is here today asking for another £250 million. He has now even dropped the word "repayable" from his description. The Foreign Secretary—a former Chancellor of the Exchequer—should today have spoken about the repayable advances that we have already made and precisely when and how those repayments will come back to the United Kingdom Treasury. There was not a whisper about that, because they will not be refundable, and even the pretence has now been dropped from the specification.

The Minister has publicly conceded, as well he might, that this may not be the end. In his evidence to the Select Committee on the Treasury and the Civil Service last week he said:

"there was considerable pressure from a number of Member States to leave the amount open on the grounds that, if the price fixing was not completed, it might actually require more money."

In *The Times* today the Minister said that the present requirement was

"a direct result of the lack of budgetary discipline in the past, and takes no account of the new arrangements."

Yet he has said that there is still pressure from member states to leave the door open because the price fixing is still not complete, whatever the Commission says about pushing through the 1·8 per cent.

The Economic Secretary to the Treasury (Mr. Ian Stewart): If the hon. Gentleman had bothered to read the rest of my evidence he would know—I also made this clear to the House—that I rejected any possibility that the amount of the intergovernmental agreement should be increased. The Council accepted that and the Commission has also agreed, so there is no question of that being reopened.

Mr. Robertson: The Economic Secretary might be well advised to keep to his hobby of archaeology and to dig more carefully over the old bones of his past statements. In January this year he said:

> "I should like to think that supplementary budgets for the European Community would not be a thing of the future, but that would be too optimistic". — [*Official Report*, 22 January 1985; Vol. 71, c. 884.]

Either he has dropped that caveat or he is becoming unduly optimistic. Certainly his statements do not carry much conviction. He may have been able to persuade the Commission, but some member states believe that there will still be a demand for more money until a price settlement is reached. That is what many people in this country also believe and what the Minister's evidence to the Select Committee drives us to believe. Given the Minister's record, I do not think that the House will have much confidence in his statement that the Community begging bowl will not be coming round again in the coming year.

The Economic Secretary says that Fontainebleau has changed the rules for good, but the European Commission apparently thinks otherwise. In a statement two weeks ago it said:

"For its part the Commission does not feel itself to be bound by 'budgetary discipline' considerations (this is an internal matter for the Council) with the exception of the farm prices aspect, on which the Commission has given certain undertakings."

Mr. J. B. Unwin, deputy secretary in the overseas finance section of the Treasury, in evidence to the notorious Select Committee inquiry on 17 June, said frankly and openly:

"the budget discipline agreement is not absolutely watertight".

Clearly, there is a division in the Treasury ranks on this. Mr. J. B. Unwin was obviously not a co-author of the Economic Secretary's article in *The Times*, or perhaps he was told to write something else—"Yes Minister" lives again.

Mr. Marlow: The hon. Gentleman seems to be saying that the 1·4 per cent. VAT limit will not work or even exist and that further supplementary advances will be required. Perhaps he will be kind enough to give way to the Treasury Bench, as I am sure that the Government are anxious to make it clear that the hon. Gentleman is wrong, and to do so as clearly and quickly as possible.

Mr. Robertson: If the House will allow me a couple of minutes longer, I shall drive the nail further into the coffin. I shall then be delighted to give way to the Foreign Secretary if he wishes to answer the point.

A press release issued by the European Commission last week refers to the VAT call-up rate for the preliminary draft budget for 1986, which the Foreign Secretary had the audacity to boast about as an example of budgetary discipline. It says on page 3 that the VAT call-up rate will be 1·35 per cent., even under the strict assumptions on which the draft budget is based. This leaves only a slight margin of about 900 million ecu up to the new ceiling of 1·4 per cent. VAT. Therefore, from the words of the Commission itself we see that the budget margin at present, even making assumptions such as zero price increases, will be only 900 million ecu. That is for the 1986 budget. Therefore, hon. Members who have said that there will be an increase in own resources up to 1·6 per cent. in 1988 had better revise backwards the date at which we can contemplate Ministers scurrying back to the Dispatch Box.

Mr. Deakins: Is that Commission press statement and announcement based on the assumption that the Commission's draft budget, with its proposal for a 1·8 per cent. cut in cereal prices for the 1985-86 marketing year, will go through? If it does not go through, would that not reduce the margin still further?

Mr. Robertson: My hon. Friend is absolutely right. Not only that, but the budget for this year was written on the basis of a 3·6 per cent. cut in cereal prices, not 1·8 per cent. We do not know whether the 1·8 per cent. will go through, but we do know that the 3·6 per cent. will not. Therefore, there is already an imbalance in the budget, and that circle must be squared.

We must never forget how the last negotiation was conducted, given this evening's events. The much vaunted rebate that has been negotiated was to have been unconditional. Indeed, in our debate in January the new writer for *The Times* said:

"whatever decisions were taken about the mechanism for dealing with the Community's financial decisions in 1985, they would commit themselves to implementing in 1985 the Fontainebleau . . . abatement for 1984 to the United Kingdom."—[*Official Report*, 22 January 1985; Vol. 71, c. 886.]

Yet only six months later our rebate is strictly conditional and absolutely tied hand and foot to three conditions: first, the Bill must go through this House and every other Parliament in the European Community; secondly, this Parliament must now agree to the supplementary budget; thirdly, there must be ratification by the 10 member Parliaments of the accession of Spain and Portugal to the Community.

That is some bargain! We lost our unconditional rebate, and we will soon be back at the negotiating table. We lost our veto on overspending. We have achieved no reform of the CAP. We have a shown-to-be-worthless guarantee on budget discipline. We have no guarantee that additional own resources will not just feed the agricultural black hole. We are forking out an additional £250 million in yet another supplementary bale-out payment, and probably more will be demanded. We have gone along with a colossal aid package, through the integrated Mediterranean programmes to Greece and other countries, which is bound to squeeze aid to our own hard-hit areas.

In his article in *The Times* the Economic Secretary to the Treasury said:

"Fontainebleau was a major achievement for the United Kingdom."

If that was an achievement, we wait with dread to discover what failure is.

We are told by the Economic Secretary:

"there is no doubt that refusal to ratify the Fontainebleau agreement would cost us dear."

We in this House must live with the fact that the passing of the Bill will also cost the country very dear. We will continue to spend more on the EEC, whatever the juggling with statistics shows, to the point where in net terms we will be spending £973 million in 1987-88.

For that we get a bloated and growing agricultural spending spree which piles up obscene surpluses, a total failure of political will to tackle the jobs crisis, which affects every nation in the Community and condemns more than 14 million of our citizens to unemployment, and a chronic inability to face the challenge of technology, pollution, energy and competition from Japan and the United States.

Mr. Nicholas Winterton *rose*——

Mr. Robertson: The Bill is all about endorsing a deal that solves nothing that is wrong with the Community, yet it concedes our one lever to make changes. It is a capitulation to the financial indiscipline that is at the root of the Community's inability to deal with Europe's problems. Far from being a permanent arrangement, it simply promises a return to the tangle when the new money eventually runs out. It has achieved only a temporary breathing pause at an enormous open-ended price. I urge the entire House to vote against it this evening.

5.55 pm

Mr. Edward Heath (Old Bexley and Sidcup): Because of earlier events, the time for this debate is undoubtedly all too short — [HON. MEMBERS: "Hear, hear."] I thought that my hon. Friends would agree. It is the only thing on which I agree with them. I hope that I may be allowed to make a short intervention about the Bill.

The hon. Member for Hamilton (Mr. Robertson) said that he has always been a supporter of British membership of the European Community, but it was very difficult to discern anything in his speech to indicate anything of the kind. There was not a constructive proposal in the whole of that speech.

When the hon. Gentleman complained that my right hon. and learned Friend the Foreign Secretary had made a deal, the first reason he cited was that this Bill had to come to the House of Commons. What ground for complaint is that? He then complained that ratification of Spanish and Portuguese membership had to come before the House of Commons. Why must the hon. Gentleman complain about that? Thirdly, he said that the amount of own resources also had to come to the House of Commons. Why did he complain about that? This is the democratic procedure of the Community. The hon. Gentleman has

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absolutely no grounds for accusing my right hon. and learned Friend of having made a discreditable deal by insisting and agreeing that those three things happen.

Mr. George Robertson: If the right hon. Gentleman were accurate in what he says I said, there might be an element of truth in his accusation. The point I made was that the House was originally told that the United Kingdom rebate was unconditional. I was making the point—I am sure that many hon. Members on either side of the argument would agree—that the abatement is no longer unconditional, and that it is subject to three major conditions which must be satisfied before we get the money.

Mr. Heath: Those three conditions are laid down under the treaty in any case. They are not conceded by my right hon. and learned Friend. No country can join the Community unless every Parliament in the Community ratifies accession. That was not a concession made by this Government, and the hon. Gentleman does not know the treaty or what he is talking about if he accuses my right hon. and learned Friend of a discreditable deal.

The hon. Gentleman made no constructive suggestion of any kind. He talked about agricultural reform. What does he mean? The Foreign Secretary has already given the figures for the increasing limitation on agricultural expenditure. When the hon. Gentleman and some of my hon. Friends are contemptuous about that, they should look at the impact on this country's farmers of even one move to control milk.

The last agricultural price review was vetoed by the Germans because the Bavarian farmers are CDU supporters, and the German Conservative Government were supporting their farmers. That is the problem. At last the fact has come out into the open that the French are not always the problem behind agricultural policy. From the beginning the problem has been the German Government, and it would be useful if this House made some attempt to understand the political problems of other people when dealing with agricultural surpluses and the price review.

Mr. Budgen: Will my right hon. Friend give way?

Mr. Heath: I am not prepared to give way. [HON. MEMBERS: "Oh."]

What does the hon. Gentleman propose to do about the agricultural system? Will he return to the system which his Government instituted in the late 1940s? Will he put that burden on the British exchequer? That amount is far beyond anything that has been mentioned tonight about our contribution to the European Community. The amounts needed to subsidise farmers or consumers are enormous. The Conservative party has always supported the farming interest and will continue to do so for as long as I have anything to do with it. We are supporting the farmers.

Mr. Nicholas Winterton: We are not. My right hon. Friend should ask my dairy farmers.

Mr. Heath: My hon. Friend has given me the case. Try to make one change in the agricultural price system and there is a revolt, especially from my hon. Friend. It is said that turning Britain from 63 per cent. self-sufficiency to 78 per cent. self-sufficiency has done us no good, but it has done the country an enormous amount of good. What reform does the hon. Member for Hamilton wish to bring about? The hon. Member has no idea other than to go back to the old subsidy system which the Labour Government inaugurated in the late 1940s.

Mr. George Robertson: In a brief intervention it is impossible to go over the numerous ideas available. Does the right hon. Member defend the obscene surpluses that have piled up in the past few years in the European Community, which are going to waste and which cannot be transferred to the southern part of the world, whose interests the right hon. Member holds dear to his heart?

Mr. Heath: What about the obscene surpluses which the Labour Government created when they operated a subsidy policy? It would be much more constructive if the hon. Member told us how to deal with the pricing of agricultural products in the Community and how to deal with the surpluses which arise.

The hon. Gentleman criticised Mediterranean agriculture. The only answer is to reorganise Mediterranean agriculture. [HON. MEMBERS: "Ah!"] It is no use hon. Members saying, "Ah!" To reorganise Mediterranean agriculture, the Community must have funds. There has been criticism of the cost of Spain and Portugal. Spain controls its wine and olive production. It is not a problem for Spain to control wine and olive production, because it has done so for a long time. Portugal is a poor country which we should be prepared to help. We have heard the economic point of view, but from a political point of view it is vital that we hold Spain and Portugal as democracies within the European family.

Some of us lived through the Spanish civil war—I was in Spain during the civil war—and some of us lived through the time of the dictatorship after the civil war. We do not wish that to arise again. That is why I am surprised that some Opposition Members do not wholeheartedly support the accession to the Community of Spain and Portugal—[HON. MEMBERS: "We do".] I am very glad. If the Opposition support the accession of Spain and Portugal, they must be prepared to support the cost.

Mr. Nicholas Winterton: And unemployment?

Mr. Heath: There will be unemployment if the Community does not move ahead in technology.

We will contribute 7 per cent. to the Community's budget, France will contribute 27 per cent. and Germany will contribute 32 per cent. I take no pride in the fact that two other major countries in Europe can contribute far more than we can because, over the past 10 years, our economy has become so weak. That has not happened because of membership of the Community. Had we not been in the Community, our economic position would have been far worse than it is today. It was because people realised that at the general election, when the Labour party lost so overwhelmingly, that the Labour leadership changed its tune and said, "We will stay in the Community." Why has the Labour party decided that? Because it knows that it is of benefit to be in the Community, and that we would lose jobs if we left it.

The second part of the Foreign Secretary's speech related to the future. I am glad that the Government have taken the initiative for the Milan summit. The problem with summits is that the Heads of Government do not have the time to reach decisions on the major issues of the Community. I would strongly urge that, instead of a day

and a half or two days, the Heads of Government—even if it means meeting every six months instead of every three months—should give themselves more time to deal with those major issues. At present, they do not even have time to give effective instructions to officials to produce or carry out the policies that they agree.

Therefore, it will be necessary at the summit to concentrate on some matters, and the Foreign Secretary is right to say that we must concentrate on turning the Community not only into a Community with a common tariff, but into a completely free Community. Of course, that will mean bargaining, and the best way to get bargaining is to observe the treaty's provisions on majority voting. That is a basic principle. The so-called Luxembourg agreement was blown sky-high by the British Government when they tried to insist that the price review was conditional on the budget. They could not prove that the price review was of vital national interest, since they had agreed it; but they tried to prove that the budget was of vital national interest and they would not sign the price agreement. What happened? The rest of the Community went ahead without us. It is a great thing that that is now out of the way. Now we can deal on the basis of majority decisions—

Mr. Austin Mitchell (Great Grimsby): What about the Germans?

Mr. Heath: I strongly disapprove of the German action, which the Commission has overruled. The Commission has said that it does not accept the German veto on the price of cereals.

We must bargain on making the Community completely free internally, and it would be very much to Britain's advantage if we did so. Let us not try to disguise that fact, because our service firms and manufacturers would have much greater opportunities in the Community. The second matter on which we must concentrate is technology. We all realise now that Britain cannot manage modern technology on its own. We are having to import technology and combine with it, for example in the car and electronics industries. Since we cannot do it on our own, Europe must do it together. That will involve budgetary expenditure to bring about the change and developments required—[HON. MEMBERS: "Oh, yes?"] Yes, and let us accept the consequences of that. It will mean some Community expenditure. Of course we must control it and ensure that the money is spent properly, but let us not try to avoid the fact that it will involve expenditure.

I know that the Foreign Secretary will disagree with me, but I believe that Britain should become a full member of the European monetary system. Unless we accept full membership, we shall not persuade the other members to accept developments inside the Community for removing the objections and barriers to trade, and we shall not get them to accept the technological developments that we want. They will say, "Why should we do this when Britain is not prepared to become a full member of the European monetary system? The arguments have varied during the past five years, and they are becoming fewer and fewer. The Governor of the Bank of England has said publicly that he sees no economic objection to our joining. We are driven back to the last remaining argument, which is that if Britain joins it will harm the Community. Not even the rest of the Community believes that. It is simply an obvious excuse being put forward. Let us abandon that and say, "Yes, we will become full members and accept all our obligations."

Those are the three matters on which the Milan summit should concentrate. We must recognise that the Community, despite what has been done, or because of the loss of momentum during the past 10 years, has fallen behind the United States and Japan.

The other day, I read in a rather disgusting article by my hon. Friend the Member for Southend, East (Mr. Taylor) that we are suffering because we are on the rim of the Community. Other countries are on the rim. How has California suffered by being on the rim of the United States? How has Japan suffered by being on the rim of Asia? That is a completely fallacious argument. Where we have suffered, it is because of our lack of productiveness and lack of technological development.

Mr. Nicholas Winterton: What do you know about industry?

Mr. Heath: I have had much more experience than my hon. Friend.

Mr. Winterton: Nonsense. Rubbish. You have worked for a bank.

Mr. Heath: There was a tradition in the House——

Mr. Teddy Taylor: Will my right hon. Friend give way?

Mr. Budgen: Give way to the disgusting man.

Mr. Heath: I did not refer to my hon. Friend the Member for Southend, East as disgusting; I referred to his article as disgusting.

Mr. Teddy Taylor: Thank you.

Mr. Heath: My hon. Friend intends writing another article, so he can go on from disgusting.

Europe has fallen far behind the United States and Japan in modern technology, and it is falling further behind. Britain has fallen behind a large part of Europe. The only way to remedy this is for European countries to determine and to have the will power to carry through their aim to move jointly into modern technology. Unless we do that, unemployment will increase.

Mr. Austin Mitchell: We have seen it.

Mr. Heath: But not because of membership of the Community.

Mr. Teddy Taylor: Will my right hon. Friend give way?

Mr. Heath: Unless we have the technological development——

Mr. Taylor: Will my right hon. Friend give way?

Mr. Heath: I shall not give way.

Mr. Taylor: Why not?

Mr. Heath: If my hon. Friend is prepared to say that this reform movement is hypocritical nonsense and that he wants to break up the Community, I shall give way to him. That is what he wants.

Mr. Taylor: I think that all hon. Members appreciate my right hon. Friend's grand visions for Europe, which he is perfectly entitled to have. How can he say that matters

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will be improved by giving more public money to an organisation that is spending 54 per cent. of its budget on dumping, destroying or storing food surpluses? How will that make things any better for his grand designs or those of anyone else?

Mr. Heath: If my hon. Friend were still a Member for Scotland, he would get all the weight of the Scottish farmers, especially the hill farmers, on him about dealing blows to agriculture., At Southend, it does not matter.

We all want to deal with surpluses. I particularly want the surpluses to go to developing countries which are suffering from famine. The Community has done a great deal, and we can urge it to do more. That is constructive. It is not constructive to don the guise of wanting to reform and then proceeding to condemn and damn and prevent the Community from developing or doing anything. That is what this debate is about.

Are we going to support the development of the Community and our own development, or are we just going to allow Europe and ourselves to slide further and further down the scale? I know what the answer should be, and I wish that this debate were on that theme, instead of tiny meticulous arguments such as those put up by the hon. Member for Hamilton.

The Labour Government had 17 Budgets in five years; yet the hon. Member for Hamilton is telling the Community that it should be able to foresee exactly its budgetary requirements 10 years ahead. What absolute nonsense. No Conservative Member can say what the Chancellor will put in his Budget in six months' time.

Mr. Nicholas Winterton: We are already in debt.

Mr. Heath: Yet we are saying to the Community that it has to prove the miraculous. There is another myth. There are many myths about this great bureaucracy in Brussels. Let me tell my hon. Friend, formerly a Member for Scotland, that the size of the staff in Brussels is lower than the size of the Scottish Office in Edinburgh.

Mr. Teddy Taylor: No.

Mr. Heath: It is; I checked the figures yesterday. Brussels is responsible for 320 million people; Edinburgh is responsible for 5½ million people. Which has the bureaucracy? Let us stop that spurious argument as well. Let us raise the level of this debate, as I have been trying to do, when we consider the great issues of state and, above all, the future of our country and of the European Community.

6.14 pm

Mr. Richard Wainwright (Colne Valley): The right hon. Member for Old Bexley and Sidcup (Mr. Heath) expressed the very proper vision of the future at which the Community should aim. I hope that his intention with respect to lifting the level of debate will materialise. However, I have my doubts, judging by the number of sedentary interruptions to which he was subjected, but one must always hope.

The Foreign Secretary, after his confident opening remarks, seemed to lapse into the manner of an irritated and rattled infant teacher when he wagged his finger for a considerable period at dissident members of his party and in suitably simple words — mostly of one syllable — seemed to go over the top in claiming that the new budgetary guidelines for the Community, which are to be applied to the 1986 budget and onwards, are wholly satisfactory instruments. I wish that were the case, but I do not believe it is. The budgetary guideline is

"that net expenditure relating to agricultural markets will increase by less than the rate of growth of the own resources base."

That is unlikely to happen, but, even if it did, it would be nowhere near enough. It does not satisfy the hopes which some of us have about what will emerge from the negotiations.

Not for the first time in a House that is dominated by the two major parties, alliance Members are baffled because the Prime Minister, speaking on 5 December 1984, said that the text on budgetary discipline could not be put into a treaty because

"one simply cannot get agreement from all 10 countries. All of them have, however, agreed that the Council, which is the deciding unit in the whole Community, shall be bound by the clause on financial budgetary discipline."—[*Official Report*, 5 December 1984; Vol. 69, c. 354.]

Apparently, we have 10 member states that cannot get agreement; yet they have agreed. I make that point because the case for this budgetary discipline is based on the fact that they have agreed. The requirement of a synthetic triumph calls for the sacrifice even of the English language and of the possibility of matters being properly understood by the House.

Mr. Spearing: Did the hon. Gentleman not understand when I intervened on this very point during the speech by the Foreign Secretary that, while there has been a conclusion, it is not a decision with a capital "D" and therefore it is not enshrined in legislation? If we are talking about discipline, surely even that is necessary for the Liberal party.

Mr. Wainwright: I should have thought that, too, but it is difficult to be clear about what has gone on.

I am sure that all hon. Members sympathise with the Economic Secretary's burden, for which he is cast in the role of Atlas. When he came before the Select Committee earlier to explain the new system of budgetary discipline —he did so very lucidly—he emphasised that it was underpinned by this splendid agreement with West Germany. He invited us to consider that that was the big strength of the new deal and that it illustrated the new climate in the Community. However, when he came before the Select Committee more recently, he had to admit that West Germany was "hoist with its own petard" and that he felt very sorry for the West Germans.

All this gives no pleasure to the Liberal or Social Democratic parties, because we want the Community to get ready to move into this future about which the right hon. Member for Old Bexley and Sidcup spoke so convincingly. It is not convincing to have a system of budgetary discipline which the Commission says, I am assured, will only reduce the total claimed by the CAP from 66 per cent. to 64 per cent. in the next EEC budget.

Mr. Budgen: Will the hon. Gentleman confirm that alliance policy is that own resources should be increased to 2 per cent. as quickly as possible?

Mr. Wainwright: The hon. Gentleman, with whom I have some acquaintance, would expect me to cover that point, as, indeed, I shall. I am not in the habit of trying to conceal the alliance's intentions, as I spend my whole

time trying to bring them to the notice of the public. I have just returned from Brecon and Radnor where I have had a satisfactory 24 hours doing just that.

Those doubts and worries about budgetary discipline must not cause us to descend into absurdly juvenile Community bashing. The motto that served the Conservative party only too effectively in the years when the mass electorate was less well informed about public and international affairs has been, "When the party is worried and nervous about unpopularity and its misconduct of public affairs at home, let it step up the bashing of frogs and wogs across the sea. That will divert the attention of the electorate." That is what the Conservative party is doing at the moment, but I do not believe that today's electorate will be deceived.

As the right hon. Member for Old Bexley and Sidcup reminded us, the House is not Simon Pure and it cannot lecture the Commission about budgetary discipline. The Labour and Conservative parties have seen to it, richly over recent years, that we have had our Concordes, Humber bridge, public sector pay bribes and many other pork barrels. The one thing true about a pork barrel is that it is always a leaky vessel. There is no way to keep a pork barrel full. Once we resort to mass bribery, the cry is always, "Give us more; give us more." That has been the cry of the leech down the ages.

We do not have much to crow about in this country over the detailed application of budgetary discipline. There is still a deplorable lack of accountancy skill in the Treasury, public purchasing departments and in the Departments which monitor the EEC. We have a long record, which will probably be broken this year, of gigantic public expenditure overruns. The party which was so set on ruthless and inhumane cuts in public expenditure has not been able to deliver them because it does not have the mechanism of proper financial control.

The Government must be thoroughly and more wholeheartedly willing than hitherto to agree to majority voting on the CAP. We should like to see West Germany voted down on that matter. I never thought that I should ever observe a more crass Minister of Agriculture in West Germany than the former Minister, Mr. Ertl. But West Germany now seems to have a Minister of Agriculture who out-Ertls Ertl. I thought that that was impossible.

The Community should be enabled to vote down West Germany and make it accept the medicine of majority voting which means accepting it ourselves in the future.

Mr. William Cash (Stafford): Will the hon. Gentleman explain how he squares what he has just been saying with the statement made recently by the right hon. Member for Plymouth, Devonport (Dr. Owen), when he asked my right hon. and learned Friend the Foreign Secretary to assure the House that we would continue to use the veto in all circumstances?

Mr. Wainwright: The right hon. Member for Plymouth, Devonport (Dr. Owen) is well able to and must speak for himself — [AN HON. MEMBER: "He was speaking for the alliance."] There is no evidence that the right hon. Member for Plymouth Devonport was speaking forr j 6-3 the alliance. I was not present, and I am not prepared to be diverted by a red herring.

While stressing the need for greater budgetary discipline and a great improvement in the scheme, which apparently has so far been agreed to by the Council, it is of the utmost importance that the Community presses ahead in other expenditure regimes.

Research and development in most industries, compared with our Japanese competitors and the marvellously recovered United States, is in a pathetic state throughout Western Europe. It is no good kidding ourselves, and it is no good Labour Members kidding themselves, that little Britain can mount the volume of research and development required if we are to compete with Japan and the United States.

There is an urgent need to move to greater financial and currency unity within the Community. I was disappointed that the Foreign Secretary made no observations about the relative success of the ecu. I believe that it is now fourth in the list of Eurocurrencies. That is a remarkable achievement when the Community has been struggling in other respects. Will the Economic Secretary be able to tell us tonight that the British Government are urging full convertibility between official ecus and those held by the private sector? Are there other developments towards making the ecu, to some extent, a common currency in Europe, which is, of course, the objective of Liberals and Social Democrats?

Our message on unemployment at the last election was, has been since and will be that, although we have plans that we believe would substantially reduce unemployment in this country, they would be many times more successful if we were part of a European scheme aimed at reducing unemployment. That means a much more wholehearted commitment to the Community than the Government have shown. What is today's touchstone for the Government's commitment to the proper development of the Community? The Government should wholeheartedly welcome Lord Cockfield's plan to turn the Community into a genuine common market.

I was distressed to hear — I hope that I have been wrongly informed — that the Government are shilly-shallying about that. Although Lord Cockfield was one of the jewels in the Government's crown, apparently his proposals for turning the Common Market into what it was always intended to be are looked upon with some doubt by the Government. I shall be delighted if the Economic Secretary can assure me that I am wrong about that.

The claims for the Bill have been overstated. There is more to be done than the Government allow, but, because the Bill's aim is sensible and could lead, with greater Government commitment, to a quicker development of the Community along the lines that we have always cherished, we shall support the Second Reading in the Lobby tonight.

6.28 pm

Mr. Terence Higgins (Worthing): No one can doubt that the Bill raises strong passions. It also raises issues some of which are simple and some of which are of greater complexity. It raises major conceptual problems and the arithmetic involved is not easy to understand. That being so, it is important that the House should be well informed on those matters. The Treasury and Civil Service Select Committee has fulfilled a useful function in that respect. Without its reports on the Fontainebleau agreement, we would know little about the agreement because the so-called communiqué was a scrappy piece of paper, published apparently by the President, drawing conclusions some of which turned out not to be agreed to by the British Government.

[Mr. Terence Higgins]

More recently, we have been grateful for the further evidence provided by the Economic Secretary. By chance we were able to take evidence from him only two days after the Bill had been published. I regret that we have been unable, in the short time available, to produce a report on that evidence for today's debate, so we have no collective view to offer. Nevertheless, the evidence quoted by a number of hon. Members, not least by the hon. Member for Hamilton (Mr. Robertson), is very useful.

I believe profoundly in the importance of British membership of the European Economic Community. We should appraise the Bill from the point of view not only of the United Kingdom but of the Community as a whole. The Bill cannot be regarded as a success in terms of our responsibility to keep the Community on the right tracks. Many of the steps that it ought to be taking, particularly in relation to making it a proper common market, do not require further expenditure. They require more sensible decisions by the Community rather than additional resources.

The complexity of the issues raised by the Bill stems from the fact that the Government failed to keep separate: two negotiations which ought to have been kept separate first, the need to ensure that the United Kingdom pays its fair share of costs and, secondly, the question whether the Community's own resources should be increased.

The Government and the Prime Minister asserted that we were not paying our fair share—that we were paying too much and that our contribution should be reduced. There was no question of a quid pro quo, because an imbalance of this kind needs to be rectified in its own right. As the negotiations proceeded, the Government fell into the trap of accepting that there ought to be some quid pro quo. That raises very difficult issues for this country.

Our bargaining position is extremely strong. For the first time since we joined the Community, we had the opportunity to reform the common agricultural policy. We have thrown away that opportunity. To those like myself who believe that the Community's future depends radically upon getting the common agricultural policy right, that is a matter of great regret.

Sir Anthony Meyer (Clwyd, North-West): Will my hon. Friend give way.

Mr. Higgins: No. Many hon. Members wish to speak, and there is a great deal that I wish to say in a comparatively short time. I hope my hon. Friend will forgive me for not giving way.

Instead of standing firm, Her Majesty's Government went along with a number of dubious devices for keeping the Community going. We were told that under the treaty the Community is required to balance the books. The Prime Minister made it clear that there was no question of loans being made to keep it going. At one stage she said that it was not right to raise loans for budgetary purposes within the European Community because it was contrary to the treaty of Rome. However, within a short period, under the intergovernmental agreement, there was the charade that resulted in the invention of the interesting concept of reimbursable advances. In the view of the Select Committee, this concept was difficult to distinguish from a loan. It is rather like a semantic joke in rather bad taste.

Secondly, there were continual requests for more money. Some of those requests were, procedurally, very odd. For example, the Government decide to proceed one way, a case is fought through the courts, the unfortunate Mr. Smedley is left with the costs and the Government then proceed by a different route so that more funds can be provided. Another device is to make advance payments by resorting to the contingency fund and reimbursing it later out of the Consolidated Fund, on the basis of an estimate. Further payments are also made under the intergovernmental agreement for 1985 which is to be incorporated in the Bill. They are not reimbursable loans but straightforward advances.

This increase in expenditure has to be considered against the background of the House being asked to make severe cuts in a number of other areas, ranging from student grants to council housing. The additional expenditure has not been properly appraised against other priorities which require money to be spent upon them.

I concede what the Foreign Secretary said about the abatement. The amount we shall pay will be roughly half the amount that we should have paid without the agreement. Although the limit on own resources is to be raised to 1·4 per cent., it is expected, in the words of the explanatory memorandum, that we shall not pay more than 1 per cent. One is bound to point out that the explanatory memorandum does not form part of the Bill, a point to which we ought to return in Committee. Nevertheless, the public expenditure White Paper shows that the absolute amount that we shall pay as a result of all the negotiations will not be significantly different, in terms of cash, in the next three years from what it was in the last three years. Therefore, we have not achieved a significant reduction in the amount of money that we shall be asked to spend. In its own right that might be regarded as a tolerable outcome, but it has been achieved only by making substantial concessions and introducing the concept of a package.

I believe profoundly that we ought not to have agreed to a package. That was not our original bargaining position. The package is said to be subject to three conditions: first, that our arrangements for abatement should be confirmed; secondly, that there should be effective budgetary discipline; and thirdly, that the agreement of the House should be obtained. According to the mechanism that has now been devised, we may reasonably hope to receive the abatement.

However, the position on budgetary discipline is far more dangerous. The Prime Minister relied very much on the idea that others were now contributing more when she said:

"More EC member countries are becoming net contributors. Frankly, that is the best discipline that we can possibly have."

After the use of the German veto to prevent even a modest reduction in cereal prices, that does not seem to be working very well in practice. The Select Committee reported that such broad political pressures are no substitute for effective budgetary control mechanisms.

Secondly, the two sides of the equation are clearly asymmetrical. If the Commission or the Council wants to reduce expenditure, an individual member state who objects has a veto. However, only a qualified majority is required for decisions about the budgetary mechanism and its framework. There is therefore a clear asymmetry, which biases the arrangement against the idea that this kind of control would be effective. We have not managed

to achieve a balance. One notes that the financial document that is to be incorporated in the Bill takes the opposite view to the Chancellor of the Exchequer, who constantly tells us that finance should determine expenditure. We ought to be concerned about that.

In addition, we were told in evidence that there is a different spirit in the Community and that everybody is now very much in favour of budgetary discipline. We ought therefore to note what happened at a meeting of the Council only a few days ago:

"The Council noted that the Commission had not submitted to it the necessary figures for the establishment of the reference framework for the 1986 budget. Following a brief discussion the Council agreed to include this item yet again on the agenda for its meeting on 8 July."

It does not look as though the Commission was rushing forward to provide the necessary information to ensure budgetary discipline. It is scarcely a happy picture. Budgetary discipline has not been achieved.

One ought also to draw attention to what the Prime Minister said on 27 June:

"We should like the principles to be embodied formally and legally in the budgetary procedure, but it must be done in such a way as to guarantee them." — [*Official Report*, 27 June 1984; Vol. 62, c. 1001.]

That has not happened. The Foreign Secretary, I think by a slip of the tongue, referred to what is actually a conclusion of the Council as a decision.

"The text on financial budgetary discipline",

as was stated by the Prime Minister subsequently,

"is binding on the Council itself, but it is not being embodied into a treaty or technically—legally—into the budgetary process. [HON. MEMBERS: 'Why not?'] Because one simply cannot get agreement from all 10 countries." — [*Official Report*, 5 December 1984; Vol. 69, c. 354.]

This is a very strange guarantee. If one went into a shop and asked to see the text of the guarantee on something that one was considering purchasing and was told that it had not been put in writing, one would be a little worried about it. If we had had genuine agreement on it, there would have been no problem with putting it in writing.

Are we actually aiming at the right target in budgetary discipline? The agreement is no more than to stop agricultural expenditure rising as fast as the own resources base. But agricultural expenditure, which is now two thirds of expenditure, will be almost two thirds after these arrangements have changed, so there is a vast increase in agricultural subsidy even under what the Government regard as effective budgetary discipline.

Against the background of vast agricultural surpluses, there is no case for spending more on agriculture. The fact that expenditure is not rising as fast as the total of own resources is neither here nor there. Effective budgetary restraint — a change in the system that we had the opportunity to achieve because of financial pressures—has not been achieved.

There are tremendous dangers for our trade with the remainder of the world, especially the United States. That country has massive agricultural support programmes, but under President Reagan it is taking action to get that under control. That is not happening in the EC. I fear that we shall run into major problems—not just on spaghetti, but on the whole range of agricultural products. For all those reasons, I do not think that we have effective budgetary discipline.

A great opportunity has been thrown away. If we did not take a stand on 1 per cent. of VAT, it is difficult to know whether we would take it at 1·4 per cent. Indeed, the explanatory memorandum makes no mention of one of the items in the documents that we are incorporating in the Bill—that the figure may be increased to 1·6 per cent. It is strange to use the expression "it may be" because it can scarcely have been included for no purpose. However, we shall at least have had the enlargement issue if not the cost enlargement out of the way by the time we get the next limit. As my right hon. and learned Friend the Foreign Secretary said, the position of the United Kingdom will have been written in. Perhaps at the next stage—and it seems to be the general view that that will not be very long coming—we will do better than at present and make more progress.

I am left with a real dilemma this afternoon. I have always taken the view that when voting in this House one should vote as one would wish the House to decide. That is a problem, because we have been presented with a package. I have to face the fact that if the Bill falls, despite its massive imperfections and failures, the effect is likely to be a significant increase in public expenditure rather than a reduction.

I do not really have the options that I should have liked to have, and would have had had the issues been presented separately. There are still ways in which we can make further progress, but we have missed a major opportunity. Many of the points made in support of the view that we should increase own resources — in particular, the question whether we have actually achieved budgetary discipline—do not bear out the Government's case. For that reason, I shall most certainly not support the Government this evening.

6.43 pm

Mr. Ron Leighton (Newham, North-East): I congratulate the right hon. Member for Worthing (Mr. Higgins) on his speech. I hope that it does not embarrass him if I say that I concur with virtually every word that he uttered. I also congratulate the Treasury and Civil Service Select Committee on its report to the House. The House would be well advised to take account of all reports from Select Committees.

From what the right hon. Member for Worthing said, there appears to be no case for the Bill. The case against it is fairly simple, and it comes under two headings. First, if we pass the Bill we are throwing good money after bad, compounding past mistakes and making matters worse. The Foreign Secretary spoke about what we would have paid if this and that had not happened. However, we do know that this year we will pay more in real terms than we paid last year and that next year we will pay more than we are paying this year.

The second reason why we should oppose the Bill is that it encourages and finances further lunacies in the crazy farm policy of the Common Market. It is rather like treating an alcoholic by giving him a standing banker's charge on the nearest distillery. What is the money for? It is overwhelmingly for agriculture. We have not had a breakdown, but we all know that it is for the CAP. In 1986 we will pay 2·5 per cent. more for agriculture.

That is the opposite of what we should be doing. We should be turning off the tap and cutting off the money supply to the CAP. We should be doing all the things that the Government say we should do at home, where there are cash limits. The trouble with the CAP is that it is limitless. By its very nature it is a bottomless pit into which we are pouring our money. All the chatter about

[Mr. Ron Leighton]

reform is idle. Surely the lesson of our experience is that there will be no substantial reform of the CAP, because it is not rational, not sound economics, not sound husbandry and not good farming. Instead, we are dealing with something that is political, with vested interests and with those who benefit from this policy—for example, the Bavarian smallholders with their Mercedes who want to be kept in the style to which they have become accustomed, and by whose votes the governing party in Germany rules. What other explanation was there for the German veto on cereals? There is no logic for its use of the veto. It was based not on reason or sound economics, but on crude domestic politics.

What happened to the British veto in 1982 cast by the now Secretary of State for Energy? I do not know whether hon. Members remember that, but he exercised the veto and nobody took any notice. It was ignored. But when the Germans exercise the veto, apparently that is different and the Community takes notice. The brutal truth is that the CAP cannot be reformed. That could happen only if the whole structure were altered, if the principles on which it is based were reversed, and if it was changed into its opposite. In other words, the CAP would have to be destroyed. The vested interests will not allow that, so it will continue, ever more expensively and irrationally.

For those areas with intervention, whatever is produced will be bought—whether or not it is needed—at the taxpayers' expense. It is open-ended and demand-led, with no cash limits. Nobody knows what the cost will be. Nobody knows how much will be produced. If we drench the countrys.e with chemicals, pesticides and herbicides, we might produce very much more. If we have a bumper harvest it will cost more money. If world prices fall because we have a year of international abundance, whereas hitherto mankind would have rejoiced at the low prices, it now means that the CAP will be even more expensive. There will be higher levels and higher subsidies to dump EEC produce abroad which, as was mentioned by the right hon. Member for Worthing, will damage the interests of third parties.

Yesterday I was asked by the COI to a lunch with politicians from Uruguay, and I was interested to meet them. They explained that their main export was beef, that they were efficient, economic producers, but that the EEC had a beef mountain and Uruguayan beef was being kept out by the variable levy, although they did get a very small quota. Their main complaint was not that their beef was being prevented from coming into the EEC; it was their treatment in Third-world markets. They want to service and repay their debts, but they cannot compete against the EEC because of the export subsidies that the EEC pays on the dumping of EEC beef in Third-world markets.

The lunch was hosted by Baroness Young, to whom I pay tribute for her hard work in gaining friends for Britain around the world. She must have thought that this was a familiar argument, because I met her some months ago in New Zealand, where she had a press conference. She thought that she was going to be discussing a whole variety of matters, but found that the only issue mentioned was butter. That was because the EEC had dumped large quantities of butter on the world market and the New Zealanders could not compete.

The CAP is meretricious. It damages us and our friends around the world and it distorts our agriculture. I have mentioned the way in which we are drenching our countryside in chemicals and draining the wetlands to add to the food surplus. That has led to crazy land speculation and high land prices in this country, with the farms being mortgaged to the banks—and all to no good purpose, because the only result is dearer food for our consumers.

Therefore, we should not support or underpin such a system. To use an argument which I hope will appeal to Conservative Members, we should not throw money at such a system. We should wring its neck. That is the only sensible thing to do. We should do the opposite of what the Bill is asking us to do.

Mr. Gerald Bermingham (St. Helens, South): Does my hon. Friend agree that another side effect of the CAP is that it has not only forced up land values but made it almost impossible for young people to buy land and enter the farming profession?

Mr. Leighton: That is absolutely true. Ordinary young people cannot enter farming. It is now run by City firms and bankers. I fear that those young people who do enter farming and mortgage themselves to the hilt will find themselves in great economic difficulties when some sense and sanity are brought back to prices. We are making great problems for our farming industry. The farmers are not benefiting from these high prices, nor are the consumers. The whole policy is basically anti-British. It is anti the interests of British taxpayers, agriculture and consumers and of our friends in the world, whether from Uruguay or New Zealand.

I am quite clear about what we should do. We should come out of the CAP and have nothing further to do with it. We should extricate, liberate, free ourselves from the common agricultural policy and bring agriculture back under the control of the British Parliament. We should have a policy which is in the interests of this country. Why should we not do that? Does anyone suggest that somehow world peace or international friendship depends on having a common price for turnips from the Shetlands to Sardinia, where there are differences of climate and culture and different ways of life? Is it not absurd to try to force all these people into a rigid mould? It is unnatural and only causes problems instead of resolving them.

Nobody in this House suggests that we should have a common policy for coal—that throughout the whole Community we should produce as much coal as possible and have it bought in through intervention. Nobody is so absurd as to say that we should have a common policy for motor cars and that, however many motor cars are produced, they will be bought in through intervention at the taxpayers' expense. So why do we have such a policy for beef or cereals? There is absolutely no need for it. This country is being conned. This has got nothing to do with the good of Europe or anything of that sort. It is for the benefit of the vested interests of continental agriculture and of the parties who want the votes of the people engaged in agriculture by paying them bribes. If the other countries of Western Europe want to do that, I do not object; that is their business. But we should not let them use our money to bribe those in their peasant agriculture to vote for the ruling parties on the continent.

I hope that later this evening we shall hear from the Government Benches some arguments calling for a healthy dose of market forces. Why do we not have a healthy dose of market forces, the law of supply and demand, in

agriculture? If there is a surplus, why do we not cut prices? I hope to learn later this evening why, if there is a large surplus of agricultural products, we do not hear a demand for a cut in prices and financial support. Why do we not cut off the money supply? We are cutting off the money supply everywhere else. Why is it only in this area that the sky is the limit?

Elsewhere we are told that if there is an allocation of extra money, that means there has to be a cut somewhere else. The right hon. Member for Worthing talked about science. I agree with him entirely. When student grants were restored, the Secretary of State for Education and Science said that that money had to come from somewhere else, and he took it from science. We cannot afford money for science to keep this country going, yet we can pour endless millions down the black hole of this lunatic farm policy.

Only masochists, only besotted Euro-fanatics, only those who have given up rational thought, could support this misguided, misconceived Bill, which is soaking British taxpayers more than ever. We should throw it out with contempt.

6.57 pm

Mr. W. Benyon (Milton Keynes): I appreciate that this Bill and the whole subject arouse passions, but I find it somewhat depressing that so much of the argument that we have heard today has been totally devoid of idealism. I greatly welcomed the speech by my right hon. Friend the Member for Old Bexley and Sidcup (Mr. Heath), who was the first Member speaking in this debate to look further ahead.

On Thursday, the Under-Secretary of State said:

"Our hands are at last off the brake and on to the steering wheel."—[*Official Report*, 20 June 1985; Vol. 81, c. 529.]

He did not mention the accelerator. In my view, this Bill is the first stage—late, but none the less welcome—of using the accelerator.

Mr. Marlow: I agree with my hon. Friend that we are on the accelerator — we are accelerating public expenditure. It is already 50 per cent. more than it was in terms of our gross contribution four years ago and it is going to accelerate even further now.

Mr. Benyon: I thought that my right hon. and learned Friend the Foreign Secretary dealt with that aspect very well. All that I can say to my hon. Friend is that, even ignoring the concessions made to the United Kingdom, the new level of contributions represents a minute proportion of GDP. It is a very small price to pay for the benefits which will accrue in the future. It is a minute proportion of the £2 billion referred to last week in relation to welfare benefits. There is no more barren exercise than speculating about what might have happened if history were rewritten.

When the Common Market was formed, Britain did not join. If we had joined, many of the changes that we should like now would probably have already been made. Europe would now be stronger and more democratic. We had a painful struggle to join and we were successful at the second attempt. That is when things went wrong. Many of us who were inspired by the European ideal relaxed gratefully. We believed, mistakenly, that the battle was won. We forgot the barrier formed by the Channel, which is so useful in war and so detrimental in peace. We left the scene to the nationalists and the Communists—one of the more bizarre political alliances of our time.

What we need now is a new vision of Europe — a new inspiration for the future. That is urgently needed for the United Kingdom itself. [HON. MEMBERS: "Hear, hear."] The two most malign influences on Government expenditure are the cost of keeping millions who have no gainful employment, and the burden of high interest rates. Those are the two major pressures on Government expenditure.

The first pressure can be eased by increased economic activity within the Community, by removing the remaining barriers to trade and competition, by encouraging European industry and by ensuring that European inventiveness is given full rein. That can be translated into an industrial success which should enable us to compete effectively with America and Japan.

Mr. Nicholas Winterton: My hon. Friend has in recent months demonstrated a considerable commitment to reducing unemployment and considerable care and compassion for the unemployed. Is he aware that large sectors of British industry such as the paper and board and the textile and clothing industries are substantial employers? The textile industry is the fourth largest employer in the country. Those industries have expressed grave concern about the accession of Spain and Portugal to the Economic Community and about the effect that that will have on industry and employment in Britain. Does my hon. Friend disregard that anxiety or does he think that it is justified?

Mr. Benyon *rose*——

Mr. Deputy Speaker (Mr. Harold Walker): Order. Before the hon. Member for Milton Keynes (Mr. Benyon) responds, I remind him of the ten-minute limit on speeches. I hope that hon. Members will bear that in mind when making and giving way to interventions.

Mr. Benyon: I am grateful to you, Mr. Deputy Speaker, and I shall deal later with the question asked by my hon. Friend the Member for Macclesfield (Mr. Winterton).

Let us consider what we have achieved within the Community in terms of inventiveness. Two out of three of the Nobel prizes for information technology were won by Europeans, yet Europe supplies only 10 per cent. of world production. Eight out of ten personal computers sold in Europe are American and nine out of ten video recorders are Japanese. If that dominance continues, millions of jobs will be put at risk. That answers my hon. Friend's question.

As my right hon. Friend the Member for Guildford (Mr. Howell) said so eloquently on Thursday, the problem of high interest rates cries out for this country joining the European monetary system and for the strengthening of the European capital market so that we can look the dollar in the face.

Europe, with 270 million people, has a GNP 30 per cent. less than that of the United States, with 236 million people. We lag behind America and Japan in the development of the new technologies. That is the real challenge.

As we stagger under the burden of providing adequate defence forces, why has the integration of weapon procurement and research progressed so slowly? That activity could be developed further. Why do we allow Japanese penetration of the EEC to pick off our modern industries one by one?

[Mr. Benyon]

Much has been said about the common agricultural policy. Of course it needs reform; of course surpluses must be contained; but we want a strong agriculture. It is better to have surpluses than shortages. In the Third world, surpluses would be called buffer stocks. The basis of the CAP is worthy. It is to bring the standard of living of the agricultural community up to the level of its urban counterpart. Reform has started. I pay warm tribute to the Minister of Agriculture for what he has achieved. The process of reform must be gradual. Agriculture is not an industry capable of radical or drastic change. We cannot turn off the tap just like that.

I support the Bill, because I want Britain to lead Europe into a dynamic and prosperous future. That means making concessions to achieve a unity of purpose. That is where the future lies. That is in our interests as well as in Europe's. We need the Community, and the Community needs us.

7.6 pm

Mr. Eric Deakins (Walthamstow): I have a question to ask the Minister about the Bill and the status of the intergovernmental agreement. We were told that this is an undertaking by representatives of the Government meeting "within the Council." I stress those words. What do they mean and why are they considered necessary? Is the intergovernmental agreement in the form of a treaty? Is the undertaking or intergovernmental agreement automatically a Community treaty by virtue of the piece of paper on which it is written or by virtue of its embodiment in the 1972 Act?

My hon. Friend the Member for Newham, North-East (Mr. Leighton) dealt with the CAP. Increased expenditure under the CAP budget is taking place this year. Even with the 1·8 per cent. decrease in cereal prices, the proportion of the Community budget taken up by the CAP is to increase to 74 per cent. No progress whatsoever is being made. As the Minister himself admitted to the House only last week:

"the Council has thus failed to take decisions on sensible price arrangements for cereals and rapeseed for the next season. This represents a serious setback to the progress which has been made in putting the common agricultural policy on to a more realistic basis."—[*Official Report*, 13 June 1985; Vol. 80, c. 1033.]

That is the Minister of Agriculture's comment on what has happened in the CAP so far this year.

Perhaps we shall achieve some fixed price package for cereals, but we do not know tonight when a decision is to be taken on the impact of that package on the total cost of the Community budget for the 1985-86 agricultural marketing year. I urge the House to recognise that we do not yet have the full information from the Government, because it is not available to them. We do not know whether the financial discipline agreement is biting on that part of CAP expenditure which will occur in 1986.

I agree about the dangers of the CAP to consumers in Britain and to world trade, but I shall concentrate my brief remarks on the budgetary discipline agreement—or non-agreement, as the right hon. Member for Worthing (Mr. Higgins) has described it.

The Government must admit that the Council decision or agreement is not legally binding. The right hon. Member for Worthing asked why the other member states did not agree that it should be legally binding when they could easily have agreed that it should be. The reason must be that they do not take it as seriously as we do. That agreement should be a Community treaty. It should be one of the documents which we incorporate into the 1972 Act. We have to vote tonight on a one-sided Bill.

Secondly, we know that the budgetary discipline agreement is full of escape phrases which will be taken advantage of. We know that the agreement does not apply to the 1985 budget, but that it will apply to spending on the CAP in 1986, decisions on which are being taken in the settlement for 1985. The United Kingdom, alone of the 10 member states, has taken the budgetary discipline agreement seriously. I shall quote again from the Minister of Agriculture, Fisheries and Food who, on 13 June, in reply to the hon. Member for Wolverhampton, South-West (Mr. Budgen), said:

"I have been alone in asking the Commissioner, at almost every point of the negotiations, whether he remains satisfied that the cost of the package is within the financial discipline that has been agreed for the agricultural budget."—[*Official Report*, 13 June 1985; Vol. 80, c. 1039.]

Why was our Minister the only Minister concerned to ensure that the financial discipline and budget discipline arrangements apply to this year's CAP settlement? Because—this bears out the point made by the right hon. Member for Worthing—we take this financial discipline agreement seriously and hence are in the minority. I urge the House to bear this in mind when voting tonight.

The Bill contains the 1·4 per cent. limit, but we have an undertaking that it can go to 1·6 per cent. The 1·6 per cent. is mentioned in the Council decision which we are embodying as a Community treaty in the 1972 Act. Why is the 1·6 per cent. mentioned in such a way that it becomes a Community treaty should this Bill become law? Surely that will compromise and undermine a future Government's case when these matters are debated in the Community with a view to an increase in own resources from 1·4 to 1·6 per cent. Shall we not be told that we have already conceded the principle in having the 1·6 per cent. written into this Bill? If we pass the Bill in its present form, it is more likely that the figure will go up to 1·6 per cent. in a couple of years.

There is another danger relating to the 1·4 and 1·6 per cent. The intergovernmental agreement, which we are also embodying tonight, for the extra money is a non-repayable advance to the Community. It is a gift from the taxpayers of this and other countries to help the Community out of its present financial difficulties. This IGA is setting a dangerous precedent because it gives the Community extra money which is not part of own resources, or part of a treaty, although we are now embodying it as a Community treaty.

There is nothing to stop any Government negotiating a further IGA, regardless of the 1·6 per cent., the 1·8 per cent., or anything else, to pay money over to the Community and to embody it as a Community treaty without going through the normal processes in the Community and this country.

We are introducing a mechanism which supplements the own resources increase we are giving to the Community—a new principle in the financing of the Community. If the own resources, even though they are increased and will continue to increase, run out, we will not have to put things right by considering the expenditure. We shall simply increase the finance, not by increasing

own resources, but by a further simple IGA. This is a very dangerous precedent and on that ground alone I hope that the House will reject the Bill.

7.14 pm

Mr. Michael Knowles (Nottingham, East): Unlike the hon. Member for Walthamstow (Mr. Deakins), I support the Bill. As my right hon. Friend the Member for Worthing (Mr. Higgins) said, we have a straight deal—an increase in VAT own resources and an arrangement for Britain's contribution to be reduced.

In an ideal world it would be necessary to do political deals, but we do not live in an ideal world. Without the Bill there will be no correction to our contribution and we should end up paying about double what we shall pay when, as I trust, the Bill is enacted. It would be insane to turn down such an offer.

The 1985 price-fixing package and the 1·8 per cent. price cut for rapeseed and cereals come within the budget limit for 1985. The Germans imposed their veto, but it has been overridden by the Commission, using its executive powers. I am quite happy about that, but I suspect that many right hon. and hon. Members are not. I think that even the Government will have difficulty with that development. I am dubious about the veto. It is not used because of overriding national considerations as much as it is used by politicians looking for blocks of votes and at the latest by-election results. That is not what the Luxembourg compromise was supposed to be about. The veto has been abused, and it is time that it went.

Mr. Teddy Taylor: Will my hon. Friend give way?

Mr. Knowles: No, I have only 10 minutes.

Germany might now be looking more to her own interests. Perhaps she has stopped being willing to be the paymaster and the whipping boy of western Europe. German nationals will now use German and not English in the Community. If the Community fails because of a rise of nationalism — it has happened before — hon. Members will be hard put to criticise Germany or any other country in view of the stand that we have taken.

The Government will be in a strong position at Milan. I should like to thank the Foreign Office team for what they have done in the past few months. As has been said, we have our hands on the steering wheel for the first time. What use will we make of that position? We must make clrarthe Government's view about the future of Europe. Our partners suspect that we do not have a view. Indeed, they suspect that, at best, we want a super European Free Trade Association and that our imagination can go no further. They also think that we will be tied to the United States for ever. The suspicion that lurks in the back of their minds is that General de Gaulle was correct.

If Europe does not unite, it has no future. Squeezed between Soviet military power and the technological power of the United States and Japan, Europe will become a small collection of colonies for somebody or other. Three major problems must be resolved at Milan. The first is the completion of the market. Lord Cockfield's report spells that out. The Council of Ministers asked Lord Cockfield what was necessary, but national Governments have already started to say that they like one bit of the report but not others. They must take the report on board if we are to have a completed internal market.

The second major problem concerns political co-operation. Much fuss is made about it, but I regard it as a bit of a farce. A readiness to consider a political and economic dialogue has been declared, but what has been achieved? Nothing. That is not good enough. To achieve anything, we must go further towards union. I have no difficulty with that, but I suspect that the same is not true for many other right hon. and hon. Members. It is surprising that any decision is reached in the Community, considering the way in which we set it up—with the Council, the European Parliament and everyone who wants to get in on the action taking part in the proceedings. We must clarify the mechanism. One cannot will the end without willing the means.

National Parliaments, including the British Parliament, have no real say in the early formulation of policy decisions. I am a member of the Select Committee on European Legislation. We see that legislation at the end of the line, and recommend to the House or to another Select Committee that it should look into it. We do not get a say at the beginning of the process, as we should. The House should ensure that its Select Committees get that sort of say.

One of the problems with our partners is that continental politicians deal with politics differently from the way in which we deal with them. Last Thursday, in an excellent speech, one of my hon. Friends pointed out the different methods of approach. We in the United Kingdom are not good at looking far ahead and seeing what the future will be. We have lost opportunities before. Indeed, on the Floors of both Houses we lost our first empire—the North American colonies. We had neither the wit nor the ability to construct a solution to the problems of representative government. We acquired a second empire, but did not know what its purpose was.

Joe Chamberlain was the one man who came forward with the idea of imperial federation, but the idea faded away. In the 19th century it was known that only the empire made us a power. There were plenty of books about that, including Seeley's "Expansion of England". We were not particularly important without our empire, yet we let it slip. We also let slip our chance of leading Europe in the immediate post-war years. We joined the EC later on terms which we did not like. If we miss the opportunity again, history will pass a harsh verdict on us, and it will be right.

The responsibility on hon. Members who oppose European union is to show how else the United Kingdom will play a role on the world stage. The drawback to any form of union is that one is only one of many—in this case one of 12—and one does not have total national sovereignty. However, at least we have a say in our fate. Without union, would we be truly independent and sovereign? We might be in theory, but in practice we would certainly be tied to the United States and Japan. We would become a cheap assembly plant on the edge of that technological empire. We might be prosperous, but we would certainly not be a sovereign independent state. In the end, European unification is about economic, technological and military power. Power matters in the real world. Countries and civilisations which forget that do so at their peril.

7.23 pm

Mr. John David Taylor (Strangford): Last week we debated the institutions of the European Community, and today we are debating its finances and financial control mechanisms. It is of interest that between the two debates

[Mr. John David Taylor]

the Government met at the weekend to consider means of controlling public expenditure £1 million in the United Kingdom—paring off £1 million here and there. Yet, strangely, a few days later in this EC debate we are willy-nilly talking about spending hundreds of millions of pounds of taxpayers' money on extra public expenditure.

That is proved by the preliminary draft budget for 1986. It shows increased expenditure of £2,500 million next year. On agriculture alone there will be an increase of more than £500 million next year over and above what was spent this year. The draft budget also shows that the United Kingdom will continue to contribute net to the EEC as much as it has been doing in recent years. According to the Commissioner for the budgets in Brussels, our VAT rate will be 0·82 per cent.

A year ago, when the Foreign Secretary introduced the Fontainebleau agreement to the House, he said that it was

"on a lasting and fair settlement of the budget problem . . . This is a good deal for Britain and for the Community."

Today he repeated that final phrase. The word "lasting" was important. Therefore, when I got the opportunity, in a supplementary question, I asked him how long he expected "lasting" to last. He replied:

"As long as it takes to convince the Government of this country and the House of Commons that a case for change has been made out."—[*Official Report*, 27 June 1984; Vol. 62, c. 986-92.]

That was not a particularly enlightening reply. We now have more evidence about how long "lasting" will last, because the Commission has seized the opportunity of the advance knowledge that VAT on own resources will be increased to 1·4 per cent. to produce a draft preliminary budget, which will spend almost all that money because VAT is set at 1·35 per cent. That may not be the limit, unless the Council, as one of the budgetary authorities within the Community, reduces the draft budget.

The budget is based on various factors, such as what the dollar exchange rate will be in 1986. The Commission has made it clear that the preliminary draft budget is based on the assumption that the dollar will have greater value over the ecu next year, and that $1 will be equivalent to 1·2 ecu, whereas at present the exchange rate is $1 to 1·35 ecu. As a Conservative Member of the European Parliament, former Chairman of the Agriculture Committee, and rapporteur for the EC budget, Mr. David Curry, in a recent article, said,

"if the dollar slips one point against the Common Market ecu it costs the budget close to £60 million."

Yet the budget is based on the assumption that the dollar will be higher in value against the ecu, and not the same value as today.

A second factor could increase the Community budget is grain. Because Russia will produce more grain this year than last year, there will not be the same opportunities for export by the Americans as there have been. America will, therefore, compete with the EC in the world market, and the chance of grain prices falling will increase. Mr. David Curry further states that

"if the world cereal price comes down by 1 per cent. the cost to the EEC budget is about £45 million."

Clearly, next year's budget will be close to 1·35 per cent., and the limit according to the Fontainebleau agreement is only 1·4 per cent. The Government are right that that cannot be changed without unanimity, but, as has been said, we can avoid unanimity and still get more money for the EEC by having yet another intergovernmental agreement. The agreement that we are discussing today is No. 2, and in a few years' time a third agreement could certainly be introduced.

The Government's case would have been strong if the Fontainebleau agreement were lasting, but it is not. Already there is evidence that we are reaching the limit. Last week, when Commissioner Christophersen introduced the budget in Brussels, he said that

"the Commission considers that the new own resources will suffice for 1986 and 1987."

That is all. The agreement will last two years. He went on to add that

"the question of increasing them"—

to a 1·6 per cent. VAT rate——

"should start to be considered now."

Those are the words of the commissioner in charge of the EEC budget. It will be two years at most before an increase in own resources is required. That is why the Government Front Bench has not felt comfortable throughout today's debate.

The budget is not good for the European Community nor for the United Kingdom, and it is certainly not good for agriculture. Another £500 million is being used to continue to produce surpluses that are not wanted by the people of Europe and that United Kingdom taxpayers do not wish to continue to finance.

Her Majesty's Government lost a golden opportunity when they reached the 1 per cent. limit. That was the time to have a radical reform of the common agricultural policy. The weaknesses of that policy are fundamental to the entire problem. I believe that the Government kicked for touch. They have two years' grace. The next election will take place before we again face the problem of the British contribution to the EEC. That will be in about three years' time. When the problem does arise, it will be much greater than it would have been last year or this year, and it will be even more difficult to resolve. For that reason, it will be worse for the EEC, for the United Kingdom and for the farmers of this country.

Several hon. Members *rose*——

Mr. Taylor: As I have one minute left, let me conclude by saying that my right hon. and hon. Friends in the Ulster Unionist party, the fourth largest party in the House, will be opposing the Government tonight.

7.31 pm

Mr. Richard Body (Holland with Boston): I am afraid that my speech may be rather a faint echo of what the right hon. Member for Strangford (Mr. Taylor) has just said. I agree wholeheartedly with every syllable uttered by the right hon. Gentleman. I also think that my right hon. and learned Friend the Foreign Secretary was right when he refused to give an undertaking to my hon. Friend the Member for Wolverhampton, South-West (Mr. Budgen).

There are two reasons why my right hon. and learned Friend was right not to give that undertaking. However, first I shall reply to the criticisms by my hon. Friends the Members for Milton Keynes (Mr. Benyon) and for Nottingham, East (Mr. Knowles), who alleged that those of us who are critical of the Government today lack any European idealism. I believe, and I always have believed, in the European Community, but I want a Community founded upon a partnership of nation states. It seems obvious that, in this comparatively small continent of ours,

it is urgent that we should try to work together in what I would call an open Europe, where each country can join others in pursuit of international co-operation to formulate common policies, and to advance their own interest and the interests of their neighbours.

I am sure that my hon. Friend the Member for Milton Keynes and I could prepare a list of at least 17 subjects upon which we could work usefully with other countries to forge a common policy in our mutual interest. Trade and defence would obviously be on that list. Less obvious would be pollution and company law. Agriculture, however, is one certain subject upon which it will not be possible to formulate a satisfactory common policy.

It should also be obvious that, as more countries have come into the Community, so it has become more difficult to find the necessary degree of common interest to formulate common policies to serve with justice the people in each of those 12 countries. That will be made difficult so long as we are tied to a common agricultural policy. That is why I believe that the Bill is totally and essentially misconceived.

If we are to pursue the goal of international co-operation in Europe, much more progress will be made if individual nation states become free to take part in a new policy or quietly to stand to one side. That is the meaning of a partnership of nation states, each state having the right to take part in the talks that may lead up to that common policy, but equally having the right to pull out if it feels that its own interests may be put at risk.

Instead, the Bill is part of a scheme to transfer massive wealth from northern to southern Europe. It is born of a fear that in Greece, Italy, southern France, Spain and Portugal there are millions of Communists and others who may become Communists. Most are called, scoffingly, peasants or are in industries serving the peasantry. Therefore, people think that lots of money should be poured into their pockets through the CAP to subdue their undesirable political instincts. *[Laughter.]* My hon. Friend the Member for Harrow, East (Mr. Dykes) may laugh, but he knows perfectly well that that thought is at the back of people's minds. That view is misconceived.

This country, along with other countries in western Europe and north America, is in the midst of a massive programme of agricultural research costing hundreds of millions in our own country alone, and many more millions throughout the world. The results of that research will be coming through in the 1990s. Let me give one example. On land on which we were producing wheat at 1 tonne to the acre 25 years ago, we are now producing 4 tonnes to the acre. When the results of that research come through in the 1990s, we shall be producing 6 tonnes of wheat to the acre. That is a 50 per cent. expansion of output in the next few years, yet now, on the eve of this year's harvest, we have in our stores over 3 million tonnes of wheat that we cannot sell. We cannot even dump it on the world market.

Last March the House voted more than £300 million for the cost of those surpluses. I see in this week's edition of *Private Eye*, which usually gets it right on farming matters, that the House will be invited to vote another £128 million before we rise for the recess, because the cost of looking after those surpluses in the intervening months has been miscalculated. That is a measure of how we cannot calculate the rising costs of a common agricultural policy. We can, though, be certain that by the time we approach the 1990s, the cost to the CAP of the commodities produced in northern Europe will be rising by about 50 per cent. The problem in southern Europe will be worse.

The CAP does not enable the peasants, as they have been rather dismissively called, to survive. Before the CAP, 20 million people were able to earn a living from the land in the Common Market. Now that number has fallen to 8 million and declines every year. This is where the trouble will come. In Portugal, 28 per cent. of the people can earn a livelihood on the land, and 88 per cent. can earn a livelihood on 5 hectares or less. That system of farming is not unlike that of southern France before CAP.

Those people survive because they can receive £250 a tonne for wheat, and all the other farm gate prices are in proportion. Yet the price in the Community is only £100 a tonne. That 88 per cent. of the people in Portugal will not survive on the basis of the CAP as it is. They will be driven from the land, and nobody can be certain of there being jobs for them in that periphery of the Community once they have lost their jobs on the land. The strain on the social and regional policies of the Common Market would then be intolerable and the cost to the Community would be appalling.

The Foreign Office is woefully ignorant of the effect that the common agricultural policy will have on southern Europe. If it were a little wiser, we should not have this Bill.

7.41 pm

Mr. Austin Mitchell (Great Grimsby): This is more than a tawdry little Bill. We are debating a betrayal of British interests because this little Bill is the key which turns the lock on the Prime Minister's Eurocage. The right hon. Lady has rattled the bars of the cage a great deal, and from time to time she has been allowed out to shout and growl on the bigger issues. But she has always shouted and growled like the lion in "The Wizard of Oz", which chickened out at the first sign of difficulty. We have had difficulties with these matters and the Government have chickened out on them.

Now the wise men in the Foreign Office — the exponents of the quiet British takeover of Europe and of the Prime Minister—are, by this Bill, putting the right hon. Lady back in the cage and saying to her, "Enough is enough. You have done your bit on Europe. It is time now for you to turn your attention to football hooliganism, the drug problem, the rates and any other issues that will keep things quiet for a couple of years."

By this Bill, we are throwing away the one weapon we had to secure reform in the CAP. We had the ability, through refusing to increase the own resources contribution over 1 per cent., to block everything, to hold a pistol to the head of an EEC which would go bankrupt without the ability to increase its budget.

We had the ability flatly to refuse to increase the own resources contribution until the CAP was brought into order. We had to be cruel to be kind and we needed to be tough to secure reform in this sphere. We had an impregnable bargaining card in that flat refusal. We could have imposed the policy of Thatcherism cash limits on the CAP. While we should have had to force a crisis, out of it good would have come because controls could have been imposed on the CAP.

That weapon, the only one we had, is being thrown away with this measure for a mess of Euro-pottage, for promises that we know will not be fulfilled. If the same

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basis is retained, with the automatic escalation of subsidies as production increases, there will be no possibility of restraining output and bringing the CAP under control. We shall have the same cycle of subsidies producing surpluses, producing dumping, producing increased costs, producing increasing destruction.

When a mild attempt was made to restrain cereal prices, as soon as it came to a policy of imposing restraint, the Germans vetoed it. That is how effective so-called restraints and controls will be. We have seen, too, the way in which farming is politically impregnable in the EEC. Farming cannot be subjugated in the way we need, unless we are prepared to use the impregnable bargaining position that we are throwing away. We have agreed to give more money to an alcoholic who, grinning with the bottle in his hand and raising it to his lips, assures us that he will reform. That is about the validity of the promises of reform that we have been given.

The nub of our difficulties is that membership does not suit us. So long as it does not suit us, we shall always be negotiating from a position of weakness in attempting to secure change in the Community. It does not suit us in agriculture specifically because we are, and always will be, net agricultural importers. It is not in our interests, therefore, to pay high EEC prices for foodstuffs that we can buy more cheaply elsewhere and trade our manufactured goods in return.

It is certainly not in the interests of Britain to assume all the odium of a system of agricultural protection that is generating increasing hostility in the rest of the world, particularly in the American market, where it will be used as an excuse for their protectionism against our imports, generated by the rising dollar, simply because we are taking on the odium of a system of agricultural protection which we do not need or want and which does not suit us.

Why should we incur that odium? Why should we support the folly, which is an obscenity in today's world, of the CAP? We are spending £800,000 a day to store food mountains when every minute of every day 30 people in the world die of hunger.

What was the fate of commodities taken into intervention in the EEC in 1983-84? About 85 per cent. of lemons were destroyed. In other words, 5,246 lemons were destroyed every minute in that period; 1,579 peaches; 41 cauliflowers; 19 lb. of tomatoes; 2,019 lb. of apricots; 5,266 oranges; 587 lb. of mandarins; and 134 lb. of apples. The obscenity that we are supporting is that that amount of produce was destroyed every minute in a world in which 30 people are dying of hunger every minute. That obscenity does not, cannot and never will suit Britain.

It does not suit us either because we have been hit disastrously by the impact of free manufacturing trade. That has turned what was a surplus in manufactured trade in 1970 of £2 billion, at 1983 prices, into a deficit last year of £9 billion, a turnround of £11 billion in manufacturing trade. That has been responsible for the loss of about 1 million jobs in this country.

In that situation, we are always arguing from disadvantage, because we are trying to deal with what is an agricultural protection society—the NFU turned into a system of government—as though it were some great adventure in international idealism. We started at a disadvantage. We are always forced to make concessions from an inadequate position, and we shall remain in that situation as we try to get concessions.

We are told that we have in the Bill a marvellous deal and that we must accept it because, thanks to it, we shall get a rebate on our contributions. That rebate, we are told, is automatic and guaranteed. That, too, is wrong. The rebate lasts for as long as the 1·4 per cent. ceiling lasts, and how long will that last? With luck, it might last for two years. The Community is already running out of money and we have written into the White Paper a provision allowing for the ceiling to be raised to 1·6 per cent. on 1 January 1988, and the Commission is already talking of a 2 per cent. ceiling on VAT.

Not only have we thrown away our negotiating position; we have no guarantee of a rebate. When we reach the 1·6 per cent. ceiling, our rebate will be up for grabs —it will be negotiated again—and we shall be back in a minority of one, the position in which we have always been. We shall be back in the old inadequate negotiating position, on our own, trying to roll the stone back up the hill. Today the Government are trying to convince us that they have got the stone up there and have triumphed.

We have already seen that our allies in this process cannot be relied on. Therefore, we are seeing the shameful spectacle of our people being squeezed by cuts, some of which are bearing cruelly on many of them—cuts, for example, in child benefit and in lodging allowances, which we discussed earlier—with the proposed collapse of SERPS and with no effective restraint on the money that we are forced to shovel into Europe at Europe's behest.

The Prime Minister's condition for giving way on the own resources ceiling was not to give way unless there was effective budgetary discipline; but there is no effective budgetary discipline, so the Bill is not just a betrayal but in domestic legal terms a shameful shuffling process. Originally, we were told that we were making reimbursable loans and we accepted the intergovernmental agreement, which was specifically set——

Mr. Deputy Speaker (Mr. Ernest Armstrong): Order. The hon. Gentleman has reached the limit of his time.

7.51 pm

Mr. Hugh Dykes (Harrow, East): I shall be brief and shall refer to the Bill. Debates on this topic tend to become general discussions about the virtues or otherwise of Community membership. Foreign observers from other member states hearing our debates would be bemused, puzzled and a little disappointed that we still repeat the old, fundamental debate about Community membership. That issue was decided a long time ago.

A lot of nonsense has been spoken today about the common agricultural policy. We know that if we had maintained our domestic support system for farmers and for farm gate products the costs would by now have been far in excess of our contributions to the common agricultural policy. One need only make a statistical continuation of the figures in the 1950s and 1960s when the old system obtained and make the calculations about the consumption of foodstuffs to realise that these debates are totally nonsensical and based on a lack of knowledge of what goes on in the CAP.

Mr. Budgen: It is nice of people like my hon. Friend to let us have these debates at all.

Mr. Dykes: Members talk as though farm gate prices have the most direct and final effect on prices in the shops, but that is not true. There is a big difference between the two, which is a more important determining factor than the price originally fixed and negotiated within the CAP.

I, too, was amazed to read articles in the newspapers suggesting that there was some kind of sinister Government conspiracy and that instead of producing a respectable order the Government had produced a sinister Bill and published it on a Friday, and how harmful this was. The Bill is the best and most logical way to deal with this matter. It has provided a much bigger debate for dissident Conservatives who do not like the Community or its works than would otherwise have been possible. However, very few people have referred directly to the changes outlined in the Bill.

I make no apology for saying that, despite this being a one-day debate, this is a small and technical Bill for good, constructive Europeans. I hope that there will be an increasing number of such people as we settle down to the realities of Community membership. This is a technical Bill implementing the intergovernmental agreement, which will need to be ratified by all or most of the national Parliaments according to the procedures applying in each member state.

The 1·4 per cent. ceiling has taken a long time to be agreed. It has not been slipped through quickly by a sinister conspiracy in the Council of Ministers. The last increase to 1 per cent. took many years to achieve. If inflation receipts on the VAT equivalent base rise again as they did until a few years ago, the figure of 1·4 per cent. will persist and be entirely adequate for some years to come, but if it has to be increased by general agreement——

Mr. Budgen: Will my hon. Friend comment on the Foreign Secretary's reluctance to give any undertaking not to come back to the House before 1 January 1988 to ask for another increase?

Mr. Dykes: It is impossible to answer such an unusually reasonable provocative question from my hon. Friend in those terms, because that is not the way in which negotiations are conducted in the Council of Ministers. Finally, these matters are ratified and approved by the Parliament of each member state.

As a constructive European, I should like the 1·4 per cent. to be increased as soon as possible. The thesis of earnest Europeans is that the Community budget is still far too small in aggregate and that a great deal of money should be spent centrally on the matters referred to by my right hon. Friend the Member for Old Bexley and Sidcup (Mr. Heath).

Mr. Budgen *rose*——

Mr. Dykes: I cannot give way again, in view of the time limit on my speech.

My hon. Friend the Member for Nottingham, East (Mr. Knowles) also referred to the need for the Community to work together to create a high technology Europe and to catch up with Japan and the United States. We also have to do a great deal nationally in that context which may have a limited connection or no connection at all with the Community. Britain is a seriously under-investing country. We invest in modern plant and machinery at about half the rate of Japan. The Community budget is actually a very cheap mechanism. Those of my hon. Friends who are always rabbiting on about how expensive it is should consider the need to invest far more money, public and private, in this country and to make decisions along the same lines through the European Community machinery.

While listening to Members fussing about the Community budget being outrageously big, I was musing on the modesty of the Community mechanism. I regret that the proportion spent on agriculture is too great, but that is not the same as saying that if the overall budget were bigger the proportion spent on agriculture would be smaller and the anxiety about it would decrease. Even with the latest increases in the draft 1986 budget, the entire Community budget is about £20 billion — roughly the amount that this country spends on dole money for the unemployed. Why do Conservative anti-Marketeers not put the same pressure on the Government to reduce unemployment, which is surely more important as well as more expensive?

The European Community is here to stay, not just because all the populations of all the member states strongly support that continuation and development. With the addition of two more member countries at the end of this year, the Community must now be developed in a concerted way——

Mr. Teddy Taylor: A Socialist way.

Mr. Dykes: No, the judicious use of public money for investment purposes is quite different from excessive spending on current account.

There are many respects in which Governments should restrain their spending on current account but continue to spend a large amount of public money on combined projects with private investment to build up the economy. We must build up investable resources in Europe. Unfortunately, the United Kingdom is the most seriously under-investing advanced country in Europe and probably, pro rata, in the world. The more money devoted to that purpose in the European Community, the better. At a time when this House, like other national Parliaments, should be considering these matters constructively and considering the expansion of high technology spending on ESPRIT and related projects, we get only curmudgeonly, pessimistic mumblings — from both Conservative and Labour Members — about the Community being outrageously expensive.

At least the Community budget, unlike those of all the individual member nations, does not have a built-in deficit. That in itself is a discipline, as is the 1·4 per cent. ceiling. I welcome the fact that at long last the Community is earnestly engaged—with the Council of Agriculture Ministers, despite the German veto, which I deplore as a total disgrace and which should have been denounced by the Government and by the whole House — in the control of agricultural prices. That has taken some years to achieve, but price reductions have been proposed and people continue to leave the agriculture sector. It is not true that ossification has set in. One has only to consider the reduction in the agricultural population in France and elsewhere. The Bavarians, too, need to be shown the realities of life by their political leaders.

With all those things in mind, as my hon. Friend the Member for Milton Keynes (Mr. Benyon) said, we must at long last begin to take the Community forward in an

[Mr. Dykes]

idealistic way and stop these absurd nitpicking little debates about tiny amounts of money which make the *Daily Express* feel pleased and happy but which make us look foolish to other European countries.

7.59 pm

Mr. Gerald Bermingham (St. Helens, South): It has been interesting to listen to the preaching of supposed European idealism — even idolism — by Conservative Members. The hon. Member for Milton Keynes (Mr. Benyon) said that increased spending in Europe was an increased investment in public expenditure which was good for the European economy and jobs. Pardon my cynicism, Mr. Deputy Speaker, but if I heard the hon. Gentleman loudly preach that theme to his own Government, who have done nothing but cut public expenditure and investment in jobs, I might give more credence to what he said.

One cannot have the argument both ways. One must either adopt the market approach and ask what the return on our investment will be, or the much more social approach to public expenditure and investment. I do not know which approach the Government wish to adopt. On this occasion they tell us that we must increase investment in Europe from 1 per cent. to 1·4 per cent., and that that apparently is a good thing. They then wonder why some of us criticise such investment and ask what we shall get in return. In all fairness, we have a right to ask that question.

I have never made any secret of the fact that I consider the whole European concept, as currently constructed, to be an utter waste of time. It is bureaucratic madness and a waste of money, which, at the end of the day, produces nothing for the European Community. If we were talking about a free trade area that stretched northwards from the Mediterranean, which was enlarged to 12, 14, 16 or 18 countries and which operated a fair system, I would be all for it. But the current system is nothing more than an absolute waste of money, and it has many side effects that are utterly detrimental to the United Kingdom.

We talk about the CAP. But what does that mean in real terms for British farming? As my hon. Friend the Member for Newham, North-East (Mr. Leighton) said, land values have escalated beyond reasonable levels. A secondary effect is that, unless they are extremely rich, the young cannot afford to enter the farming community except as tenants, but the number of tenancies available has decreased, and the Government have not helped by encouraging county councils to get rid of smallholdings. As a result, the first rungs of the farming career structure have been removed.

What would happen if the CAP collapsed tomorrow or if subsidy levels were reduced by force of economic circumstances? Many young farmers who are now buying their land on very large mortgages would find themselves in the bankruptcy court. Carey street alone would benefit, and the lawyers and accountants with it. The real farming industry would suffer. One cannot justify a policy which has that as a potential end result, any more than one can justify an industrial policy that talks about fairness and competition when that does not exist throughout the Community.

The British fishing industry has two thirds of the potential, but it gets only one third of the catch. Our trawlers are laid up, our men are out of work and our industry is dying on its feet. Is that an investment?

The heart of the glass industry is in my constituency, and it has some of the finest technology in the world. It is said that there will be common agreement on production rates and everything else, yet the Belgians, French and Italians break every agreement, not officially—one asks the Government to intervene, but nobody takes any notice —but by way of energy support prices.

Mr. Forth: Why is the Labour party encouraging Spain and Portugal to come into the Community, given the fishing implications to which the hon. Gentleman has referred as well as the implications for horticulture, farming and industry generally?

Mr. Bermingham: That is a fair intervention. I make no secret of the fact that I do not speak for my party from the Opposition Front Bench.

Mr. J. Enoch Powell (South Down): The Americans do not speak to the hon. Gentleman; they speak to his Front Bench.

Mr. Bermingham: I am much obliged to the right hon. Gentleman.

I have no objection to Spain and Portugal coming in, provided that the ground rules are changed and there is fair play. I shall come back to that point, particularly in the context of the clothing industry and textiles.

If the rules on energy support prices, and so on, are not adhered to, in Belgium glass sheeting for double glazing, for example, can be produced and shifted at a price that is cheaper than the price we pay for the materials. That is the sort of club to which we are now expected to pay this extra money. There are serious questions about why we should pay such extra money, because it seems to be grossly unfair.

The United Kingdom textile industry has suffered grossly over the past 10 or 15 years, and only now is it beginning to struggle back on to its feet. Textile firms in the north and in my constituency will be seriously at risk if pricing agreements throughout Europe are not arrived at on a basis that will allow the British textile industry a fair share of the market. No one is asking for preferential treatment, only for fair competition within the Community.

In international terms that must be coupled with a multi-fibre arrangement that is fair to European, English and world trading interests. But unless the rules are played fairly across the system, the system is not worth having. The truth is that different rules seem to apply to different parts of the Common Market. At the end of the day, the United Kingdom always seems to get the worst of the deal.

I have lived for many years in south Yorkshire, which used to have many steel industries. From 1954 onwards one has seen how the rules have been bent in the European Iron and Steel Community, as a result of which the English steel manufacturers, who produced some of the best special steel in the world, found themselves on the losing side time and again.

It is against that background that we are now asked to increase our membership fee from 1 per cent. to 1·4 per cent., but in no way have the Government sought to justify it. It is said that the money is needed, but the level of

expenditure is already up to just over 1 per cent. I have estimated that there was roughly a 7 per cent. leeway. Even in our inflationary times, 7 per cent. is nothing, and I do not believe that the 1·4 per cent. ceiling on own resources VAT—unless policies are drastically altered—will prove to be adequate.

There comes a time when some of us have the right to ask—I hope that the House has such a right—where we are going with current European policies. Are we seeking to produce the European free trading entity that was first conceived in the original idea and that will expand and benefit the whole of Europe? Alternatively, are we seeking to create a cosy little club, some sections of which will be cosseted at the expense of others?

At the end of the day we must decide whether, in what we do, we are seeking to benefit our constituents. We must seek to produce a fair trading policy across Europe. In my view, and I hope in the view of many other hon. Members, that situation has not been reached. The Government's attempt to force this tawdry little Bill through will, in effect, mean that some sections of Europe might be cosseted but that many more will ultimately be damaged.

I can think of many ways in which £1 billion would be far better invested in the United Kingdom than in the current concept that has come from Brussels. The original dream of the European entity was good. The reality is that it has become an absolute nightmare for which the United Kingdom is paying a very dear price. I hope that the Bill will be rejected.

8.9 pm

Mr. Richard Shepherd (Aldridge-Brownhills): Over the weekend the press has prepared us for the debate. One remembers Belloc:

"The stocks were sold; the Press was squared; The Middle Class was quite prepared."

Monday's exposition in *The Times* was followed by today's contribution, neither of which did the greatest credit to their authors. The unease which fed the articles was expressed well today by my right hon. and learned Friend the Foreign Secretary. He stayed in the Chamber to hear the speech of my right hon. Friend the Member for Worthing (Mr. Higgins). Had that speech come from the Secretary of State, there would have been a cheer from the House and from the country. Instead, my right hon. and learned Friend the Foreign Secretary prefaced his speech with an apologia for the future of Britain in Europe and identified factors which he claimed add to our strength in the world.

The fact that our membership of the Community has diminished our influence in the world causes anxiety to people who are neutral to the intent and purpose of the Community. The Foreign Office has turned the arguments upside down. Part of the strength of our influence lay in the fact that we were a major purchaser of agricultural commodities from nations which had a natural advantage in their production. The influence which we exercised as a significant purchaser of the goods of Australia, New Zealand, North America and even Argentina was far out of proportion to that which we exercise as a rather junior member of the European Community.

For many years we have heard that our trade with the Community is significant. It amounts to 40 per cent. Conversely, 60 per cent. of our trade is still with the rest of the world, although we have embraced the European Community's common agricultural policy.

I cannot support the measure, because what causes most distress to the country and what is central to the Community is the constant burden of the common agricultural policy. The net contribution to the Community is borne by the ordinary consumers of this country. It is difficult to make the Government identify the cost to the consumer. In the United States of America it is a requirement of law for the International Trade Commission to assess what a tariff means to the consumer. This applies to shoes, corn imports or any commodity which carries a tariff. We no longer deal in those economics. We eschew the quantitative evaluation of the merits of an argument. I suggest that the common agricultural policy amounts to £10 billion of taxes on consumers. The Government seek to cut public expenditure so as to effect taxation cuts. The most effective way to raise the standard of living for people in Britain and diminish the tax burden would be to reduce the price of food.

The purpose of Parliament is to scrutinise and inquire into the purpose of raising taxes and finance, and this we do inadequately and woefully. The Government were elected to defend the common man, to represent his interests and to control wasteful taxation. We are gradually abandoning that policy. We shall return to this fundamental constitutional issue in Committee. We should not suffer taxation over which we have no call, nor direction, nor ability to abate. We must identify the cost to the consumer.

The Treasury must insist and the Government must demand that the Ministry of Agriculture, Fisheries and Food gathers itself up and informs us about what a 10 per cent. reduction in the cost of food would represent. It could be £3 off the average family's cost of living. That would reduce the retail prices index, improve our standard of living and direct our resources to where they are most needed. My hon. Friend the Member for Holland with Boston (Mr. Body) has written an excellent book entitled, "Agriculture: The Triumph and the Shame". It is not true that we do not wish to support our agricultural interests. However, many hon. Members and many British people believe that we can better support and defend the interests of our farmers and represent the interests of our consumers without that especially pernicious instrument, the CAP.

It is not true to say that we have resolved the European problem. Most hon. Members recognise the reneging on undertakings which were solemnly given by the most senior members of our Government by their coming here today and saying that things which they promised would not happen will happen. One appreciates their difficulties. If we reject this measure, our immediate contribution will increase considerably. One feels that the Government started to run the race, were running strongly and then gave up. There was a sudden realisation that the forces were too great and the other issues too big.

The measure for which we shall fight across the Floor of the House during the next three years is tax cuts, and the Government have the power to reduce them, in a properly targeted way that reaches to the poorest and most needy in the community, by cutting their food bills. That is why I want the Government to take up the sword again and to fight back. The points made by my right hon. Friend the Member for Worthing should be adopted by the Government, and they should return to Europe and say, "The House of Commons will no longer support such a measure."

8.16 pm

Mr. Peter Hardy (Wentworth): I apologise for the fact that I have had to spend some time away from the debate. This subject commands much of my concern and has for a long time commanded my interest. I congratulate the hon. Member for Aldridge-Brownhills (Mr. Sheperd) on a speech that deserves our attention.

Yesterday, I attended the first meeting of the Political Affairs Committee of the Council of Europe, at which we had our first glimpse of the document produced by the Colombo commission. That document, which was written by a committee of the worthy and good, considers the future of Europe. It identifies areas of real need where European co-operation would be possible. It calls for much more intense co-operation to deal with terrorism, drug-taking and unemployment among the young, and talks of the need to co-operate in enhancing Europe's environment. Those are all good causes, but the Minister and many hon. Members will know that the Community cannot offer a positive response to those or to any other good causes, because the Community will not reduce the proportion of its expenditure that it devotes to agriculture.

If the proportion of expenditure falls below 72 per cent. during this decade, I shall be astonished. But until the Community accepts that the proportion must be dramatically reduced, and until agriculture expenditure is borne by national funds instead of by Community funds, the Community will lack all capacity to move even remotely towards the ideals which persuaded many Conservative Members and a few Labour Members that entry of the Common Market was a commendable development.

I said at the Political Affairs Committee meeting in Paris yesterday that almost every Member of both British Houses of Parliament would subscribe to the ideals which have driven the members of the Colombo commission to their recommendations. All of us realise that we need substantial co-operation in Europe, but, unfortunately, the experience in the United Kingdom since we entered the Common Market has brought bitterness and suspicion, which did not exist before the right hon. Member for Old Bexley and Sidcup (Mr. Heath) dragged Britain, unmandated, into the Community.

Mr. James Molyneaux (Lagan Valley): And without the full-hearted support of the British people.

Mr. Hardy: As the right hon. Gentleman says, he did not have their full-hearted consent. If the Government sought to obtain the full-hearted consent of the British people today, they would not get it. They will not get it until the Community recognises the need for substantial reform. The Government have an obligation to say that they will give no more money to support what is little more than insanity. For a while, I acted as Chairman of the Agriculture Committee of the Council of Europe and was therefore in a position to study European food policy. Indeed, I acted as rapporteur. The more I looked at the insanity, the more curious I became.

I remember raising in the House the fact that the Soviet Union had doubled its wine purchases for five successive years and was paying the princely sum of 4·5p a litre. The House was amused when I suggested that this was a gesture to achieve disarmament and détente through alcoholic euphoria, but it was not a laughing matter. Nor is it a laughing matter when my colleagues in the Council of Europe who live in wine-producing areas can boast that wine production has increased by a factor of five in a decade and we know that there is an enormous and growing surplus of wine. We know that the problem of wine storage will loom ever larger than the problem of the butter mountain. In a frivolous moment I have suggested that eventually we shall have to put a cork south of Gibraltar to make the Mediterranean sea a repository for surplus wine and Italian sewage.

British Governments have an obligation to speak out with sanity. There was certainly a need for sanity two or three years ago when our steel industry was being contracted. My hon. Friend the Member for Rotherham (Mr. Crowther), who is a member of the Select Committee on Trade and Industry, met Count Davignon and asked him why Britain was required to contract its steel industry to fulfil Community policy while the Italians were busily engaged in expanding their industry in defiance of that policy. His response was, "We cannot do anything about Italy." Britain's economic position is as parlous as Italy's. It may be that this is due to the improvement that the Italian Administration has secured through sheer defiance of Community regulations.

Those of us who live in constituencies and represent areas where there are 10 times as many people unemployed as there are vacancies in a year and where the unemployment prospects are dreadful and will soon be devastating, no matter how much Ministers trumpet about recovery—we have not seen much sign of recovery in many parts of England's industrial heartlands—find it impossible to endorse the Government's policy. The Government are prepared to spend vast sums in supporting wasteful excess and inadequate controls in the Community while the needs in our areas are bewildering.

I trust that the Minister will respond to the arguments that have been advanced by some of his colleagues, because it is right that Britain should speak out in Europe and ensure that its interests, in the areas with the highest unemployment in Europe, are properly recognised.

As the hon. Member for Aldridge-Brownhills has pointed out, experience has shown that we have turned from the deep-water diplomacy which dominated our foreign policy until recently and that entry into the Common Market has brought to our policies a layer of introspection which has changed the character and approach of British political life. It may be that we cannot easily extricate ourselves from Europe, and I would not dissent from the argument that it would be difficult for us to secure this disentanglement. If we are not going to disentangle ourselves, we have no alternative but to ensure that we do all that we can to ensure that the European Community puts its house in order. It is a disorderly house if there is the extravagance of an agricultural policy that imposes no limit on the waste but demands that industries such as those that have served Britain well, providing the economic base for areas such as mine, should be driven into desolation.

Wine, corn and butter are still produced in profusion, but one of the most successful steel works in Europe, at Tinsley Park in Sheffield not far from my constituency, has to be closed to comply with the demands of economic planning imposed by people who have taken leave of their senses. If we have waste in Europe, we must insist that there is productivity and employment in the United Kingdom. Unless the Government are prepared to set that

point firmly in their mind, they will fail. In that case, I hope that, they will attract the sincere and genuine opposition of Conservative as well as Labour Members.

8.24 pm

Mr. William Powell (Corby): One point that is fundamental to consideration of the Bill was the statement by my right hon. and learned Friend the Foreign Secretary that the Bill represents the most significant piece of primary legislation since the original legislation that took us into the Common Market 12 years ago. I wish to examine on that basis the arguments about what the House should do.

Some hon. Members oppose our membership of the European Community. They have spoken most eloquently and been heard with respect. It is not surprising, therefore, that, when they are asked to take the next step down the road to the development of the Community, they should stand out against it.

Mr. Marlow *rose*——

Mr. Powell: I shall not give way. My hon. Friend knows that we are all limited by time.

It is not surprising that those who oppose our membership refuse to take the next step, just as they refused 12 years ago to take the next step.

There are those who favour membership but believe that the position advanced by the Bill cannot be supported. My right hon. Friend the Member for Worthing (Mr. Higgins) eloquently advanced that point, which has found substantial echoes of support in the House. I believe that that is a profoundly mistaken view, because it is not for any of us as Members of the House of Commons to second-guess the negotiations that have been carried out by the Government. I do not doubt that we would all have liked to achieve something slightly different, but those Members on the Treasury Bench who participated in the negotiations are the only people who had to judge whether a bargain could be struck. Ultimately, the House must decide whether it is prepared to entrust confidence in the Government. That is our power and responsibility.

My right hon. and learned Friend the Foreign Secretary came to the House, as did my right hon. Friend the Prime Minister, and said that this was the best deal that could be struck on behalf of the country. They commended the deal to the House on that basis. We have heard a number of contrary arguments. Some hon. Members say that they could have made a better deal, but the fact is that they are second-guessing the people who have the responsibility for conducting our foreign and international policy.

When the Foreign Secretary says that this is the best deal, it becomes a question of confidence. Are we prepared to entrust confidence in him? Although I do not support many aspects of the Community — indeed, I wish to change them, as, I am sure, does my hon. Friend the Member for Harrow, East (Mr. Dykes)—the fact is that this is where we are.

Where would we be if we were to reject what the Bill offers and to refuse the next step towards the development of the Common Market? We should be in the worst possible position. We should remain in the Community — as, of course, a number of hon. Members wish, although they reject the conclusions reached by Her Majesty's Government—but what influence should we have? We should have virtually none, because the best that could have been obtained would have been rejected by the House. The European Community would be developed by our partners and we should have virtually no part in it. We should stand on the sidelines. We should be ignored and despised.

My hon. Friend the Member for Holland with Boston (Mr. Body) said that we need a common market for company law, international trade, and so on. If we reject the Bill, and the further development of the Community that is implicit in it, that will never come about. We shall have no chance of securing the objectives that he so eloquently advanced and which I passionately share.

If we wish to develop Europe and come together as a Community, we have no alternative but to accept the advice that has been given by my right hon. and learned Friend the Foreign Secretary. The House of Commons must fulfil its historic function and have confidence in Her Majesty's Ministers.

The arguments put forward by my right hon. Friend the Member for Worthing and by my hon. Friend the Member for Aldridge-Brownhills (Mr. Shepherd) are fundamentally flawed. Their objectives and analysis may command wide support, but they have no chance of achieving their objectives if they stand apart and say to the rest of the Community, "We will have no part of it."

The hon. Members for Hamilton (Mr. Robertson), for Walthamstow (Mr. Deakins) and for Great Grimsby (Mr. Mitchell) said that we had thrown away our best bargaining card. That implies that they would have been prepared to continue the year-on-year struggle to obtain a British rebate. We shall not be able to obtain the British rebate if we reject the Bill, because we have not been able to obtain it in the past. Little progress would be made. Their argument is fundamentally flawed. We have used our best bargaining card to the point where it gave us the maximum return.

In those circumstances, my right hon. and learned Friends the Foreign Secretary and the Chief Secretary to the Treasury struck the best bargain at the right moment. We used our cards to the best effect and obtained the best deal that we could. We are now presented with a choice: do we or do we not proceed with the development of the Community? If we wish to develop the Community in all its aspects, the only choice is to support Second Reading of the Bill.

If we reject the Bill, the message will go loud and clear to our partners in the Community that we are not serious in wanting to be a member of the European Community and that they can go their way and leave us aside. We shall find that our influence in the world is but a small percentage of that imagined by those who have so eloquently argued that we can stand apart, defy the forces of the world and go it alone. That may have been possible at one time. That option is not open to us now.

8.34 pm

Sir Anthony Meyer (Clwyd, North-West): The debate, which has been dominated by my right hon. Friend the Member for Old Bexley and Sidcup (Mr. Heath), contained an exceptionally important speech by my right hon. Friend the Member for Worthing (Mr. Higgins). I do not suppose that any hon. Member is held in higher esteem than he is, or is more justly held in that esteem. It is therefore important to meet head on the argument that he deployed. It is central to the debate. Although hon. Members will stream in at the end of today's proceedings

[Sir Anthony Meyer]

and vote as the Whips direct, this is supposed to be a debating Chamber, and my right hon. Friend's arguments deserve to be taken seriously.

The centre of his argument was that we had an outstandingly good case and that therefore there was no need for us to give a quid pro quo to achieve a settlement satisfactory to the United Kingdom. It seemed a good case to every hon. Member. To the other members of the Community, the case did not seem so good. The United Kingdom, which has demanded a reduction in its contribution to the Community, is the only member of the Community that is self-sufficient in energy. The United Kingdom's case for special treatment, therefore, did not seem so blindingly clear to other members of the Community as it seemed to every one of us.

My hon. Friend was a distinguished Treasury Minister. As far as I can recall, his duties in the Treasury were involved mainly with the management of the money market. He was perhaps less involved with international negotiations than some of his other Treasury colleagues. My experience as a lowly member of the diplomatic service taught me that one receives nothing for nothing and that there is always a quid pro quo. One achieves nothing in international negotiations unless one is prepared to make some concession.

My right hon. Friend said that we had a bargaining weapon so powerful that we should not have been prepared to concede anything in return. It was the same bargaining weapon that Samson used so effectively. It is so powerful that it brings down the roof not just on everyone else but on ourselves. I cannot hope to persuade my right hon. Friend by what I have been saying, but I do not accept his case. I accept the case that the Government put forward —that they obtained for this country the best possible bargain at Fontainebleau and that the Bill enshrines that bargain.

The Government obtained a good bargain at Fontainebleau because, for the first time for many years, they stopped thumping the table and put forward to the meeting a paper which was by far the most constructive, forward-looking and interesting contribution to the European debate that the British Government had made for a long time.

The agreement reminds me of a subscription to a Christmas club. Anyone who objects to the Christmas club putting up the subscription when his own subscription will be halved and his divvy will be upped must be stark, staring mad. We must accept the whole of the Fontainbleau agreement or none of it. We cannot swallow the bits that we like and spit out those that we do not like.

The Bill and the agreement to which it gives effect mark the end of the interminable dispute over Britain's contribution to the European Community which has paralysed the Community for five years. The way is now open to make the Community into what it should be—a unique system which allows member countries, while keeping their national identities, to increase their influence and wealth more than they could possibly do by their own efforts. For the first time there is an opportunity that would have seemed unimaginable two years ago: the opportunity to make progress towards a European Community that works.

The new Commission is incomparably better than its predecessor. In M. Jacques Delors we have a President who gets things done, who believes in an open and competitive economy and who is fully backed by the French Socialist Government who appointed him. In Lord Cockfield we have, I admit somewhat to my surprise, a commissioner who has come forward with bold and radical ideas for advancing swiftly towards a unified market, which is the primary aim of British policy. Already things are beginning to move.

At the last meeting, the Foreign Secretary made very sensible suggestions for improving decision-making by making more use of qualified majority voting. I stress "qualified majority voting". People speak as though we had merely one vote among nine. With majority voting, provided that we have the support of one other country, we need never make use of the veto. The proposals stand a very good chance of being accepted, provided that we can get the Italians, who will be in the chair at Milan, to use their considerable expertise in the Presidency. All of us pay homage to the excellent way in which on more than one occasion the Italians have conducted their chairmanship. Provided that we obtain their support for the British Government's proposals, there is a very good chance that they will be accepted.

If to obtain that support we have to pay a very small price in terms of European symbols—it would be absurd to jib at such symbols as national anthems and flags that cost so little and give so much satisfaction on the Continent —or the very much larger price that I hope we are now ready to pay and that will benefit us as much as anybody else—to complete the European monetary system by this country joining its exchange rate mechanism—I believe that these proposals will be accepted.

I support the Bill and I challenge any hon. Member who opposes it to say how we can throw it out and still remain an effective member of the Community. I want the Community to get on with its job of enabling this country and other members of the Community to strengthen their influence in the world and provide better living conditions for their people.

That brings me to the one contentious part of my speech. Even the increased budget of the European Community is far too small. Like my right hon. Friend the Member for Old Bexley and Sidcup, I want a great deal more money to be spent upon technological advance, common procurement and financing the European defence industries. I do not believe that even the most ardent supporter of a free market would say that people can be induced to buy their own tanks and guns.

Although the budget is far too small, most of it is wasted. We should be far better off without the common agricultural policy, but we have to live with it. Nor is the money spent upon the regional policy a proper activity for the European Community. This work could be done far better by national Governments. All the money should be spent on financing technological achievement. That is the way in which Europe could make a major contribution to raising living standards generally.

8.43 pm

Mr. Eric Forth (Mid-Worcestershire): I begin by giving some credentials to the House. There is no reason why I should, but I do so only for this reason. It is often said that those who criticise the European Community or who are bold enough to criticise a Bill such as this are in some sense anti-European. There is nothing wrong with being anti-European. It is a perfectly respectable political

position to adopt. However, it is not a position that I occupy. Throughout the late 1960s and early 1970s I campaigned for the entry of the United Kingdom into the European Community and I spent five years as a member of the European Parliament, so I am marginally qualified to comment on this Bill. I do not do so as one who argues that we should leave the Community, but we must keep in perspective those matters that the Community can do best.

It can be a very effective trading block and customs union. It can, and rightly should, perform the task of representing the interests of its members in a world trading sense, and from time to time we may be able to identify those matters that the Community can perform better than individual member states. But that does not necessarily lead to the conclusion that we should vote for the Community a budget which sets about identifying more and more things upon which money should be spent. The common agricultural policy is a classic example of a policy that began with very high hopes and splendid ambitions but which has come very badly unstuck.

The question that has to be asked tonight is: do we have a better chance of reforming the CAP and setting Europe back again on the right rails by retaining the 1 per cent. VAT limit, or should we trust to good luck and good fortune and the majority vote in the future and provide the Community with more money at this stage?

We have been told over and over again in this debate, including by my right hon. Friend the Foreign Secretary, that the Bill represents a good deal for the United Kingdom. Perhaps it does; perhaps it does not. I am more interested in what is a good deal for the European Community. I am not yet convinced that we shall do the Community any good by removing the one thing that until now has concentrated minds and disciplined the Community: the 1 per cent. VAT ceiling. We have been told that the new ceiling of 1·4 per cent. will be bumped up again as early as next year and that it is already provided for in the 1986 preliminary draft budget. What that means for discipline I do not know.

Two main reasons are given for the Bill. The first is enlargement of the Community. I do not support enlargement. I am a lone voice on that, although I appreciate any support from my hon. Friends. However, the House has not been given an opportunity to say what it thinks about enlargement, except in my Adjournment debate before Easter in which I discussed the matter at some length with my hon. Friend the Minister of State, Foreign and Commonwealth Office.

The real reason why I am unable to support the Bill and will vote against it is because the Prime Minister, the Foreign Secretary and the Economic Secretary have said that effective budgetary discipline will be introduced. The budgetary discipline document says:

"the level of expenditure will be fixed on the basis of available revenue, and that budgetary discipline will apply to all budgetary expenditure."

That is splendid.

Article 1 then refers to a reference framework being fixed each year, the maximum level of expenditure being fixed within that framework. That is also splendid. However, it then falls apart because article 2 says:

"Account shall be taken of exceptional circumstances, in particular in connection with enlargement."

Therefore, the budgetary discipline document admits of the possibility of unidentified exceptional circumstances that may alter the budget discipline. Article 5 says that, "barring aberrant developments" agricultural expenditure will be brought back within the limits imposed by the guidelines. We do not know what those "aberrant developments" are. However, in the view of the Economic Secretary, what would happen if there were two or three consecutive years of record harvests in the Community, to say nothing of developments in the world market for agricultural products?

Finally — this blows a hole in the entire claimed budgetary discipline mechanism—article 6 says:

"the Council, acting by the majority referred to in article 1(2), may amend the reference framework".

In other words, having started the year by identifying limits, we can at any time vary them or do away with them altogether.

If this is being offered to me by my Government as a serious attempt at budgetary discipline on a Community that until now has shown no will or ability to discipline its expenditure, I cannot accept it. Until I am convinced that that document and these words mean something—that bringing into the Community two countries that can only benefit from increased expenditure — until I am convinced that the Germans did not really mean what they have recently done and until I am told how it is that by bumping up the 1986 preliminary draft budget we shall not go beyond the 1·4 per cent. that is now proposed in the foreseeable future, I shall have to vote against the Bill.

8.50 pm

Mr. Gavin Strang (Edinburgh, East): I make no apology for confining my remarks to the CAP. It is because of the colossal expenditure on the CAP that the Bill has been introduced. The Government are cutting public expenditure in areas that hit the poorest people in our society. They are cutting back on important areas for our community. Their whole philosophy is one of reducing public expenditure. Therefore, it is remarkable that they are prepared to continue to sanction the wasteful expenditure of thousands of millions of pounds. To some extent, that money is used to give an open-ended state commitment to farmers to produce as much as they want, regardless of need. Our intervention stores have more food in them now than ever before. Thousands of millions of pounds have been wasted destroying the markets of other countries, especially of the Third world. There is a real and understandable conflict between the United States Administration and the European Commission because of the enormity of the subsidies that the EEC has been prepared to use to win markets to dump surplus produce.

I was privileged to represent this country during the last Labour Government, sometimes in the company of my right hon. Friend the Member for Lewisham, Deptford (Mr. Silkin). At the time of the referendum it was remarkable that EEC prices were about the same as world prices. That, of course, was a freak position. Subsequently, world prices returned to a more realistic level, but EEC prices continued to be set well above them.

I acknowledge that the Labour Government were repeatedly bought off by such bribes as butter subsidies. They did not take a sufficiently determined stand to hold down prices. It was only at the last price-fixing—we lost power in the middle of it — that the Labour Government had a mandate to dig in their heels and hold down prices.

[Mr. Gavin Strang]

That has happened with this Conservative Government. Instead of embarking upon a policy to reform the CAP and hold down expenditure, they have concentrated on trying to obtain unilateral independent action in the Community to help reduce our net budgetary contribution. Indeed, during the past six years, the Government have made no real attempt to obtain real changes in the CAP. An example of that is the development of the sheepmeat regime. I remember debating that on a Friday afternoon two or three years ago. The then Minister presented it as a great achievement, but the majority of speakers from both sides of the House were highly critical of it.

Instead of creating a common market for sheepmeat —which would have been in the interests of Scottish producers—the regime was drawn up in a complicated manner precisely to keep Scottish lamb out of the French markets. It was a grotesque regime which cost a great deal of money. This country may be a net beneficiary, but there is guaranteed intervention on the Continent, headage payments for some countries and a deficiency payments scheme operating in this country.

That grotesque regime makes no sense to anyone looking at the development of sheep production in the Community. Instead of tackling the real problem, each country is prepared to accept a bribe. There is an unlimited amount of money and it is used to keep countries quiet. We seem to be continuing along that road.

The next major development was the implementation of milk quotas. That was an admission of failure. Every producer is given a rigid quota. It is an admission that we are not prepared to use the price mechanism to discipline the level of production. We will be stuck with a surplus in milk production. We must ensure that we are not destroying British jobs and making disproportionate cuts in our production while the Community as a whole increases production or maintains it at present levels.

I hope that the Government will decisively kill the nonsensical suggestion of quotas for cereals. I accept that, having imposed milk quotas, we should try to make them work and reduce milk production throughout the Community, but cereal quotas would be diabolical. Cereals are a fundamental cost in the agriculture industry. They determine the price of livestock production — especially of pigs and poultry—where 70 per cent. of costs are accounted for by the price of cereals. It would be disastrous if the Community adopted cereal quotas.

I shall not take the time of the House to put forward other practical arguments against cereal quotas. I hope that the Minister will make it clear that the Government will stand by their policy—I accept that they are doing so at the moment—so that, even if we cannot achieve the full 5 per cent. reduction in cereal prices that we should have had this year, at least the price will be held down. It is incredible that the German Government, who have traditionally supported the idea of the European Community, should have been prepared to stand apart on this issue. There is no case for keeping prices above the level of world prices.

When I was first elected to the House and began to study these matters, people in Brussels described the CAP as the vehicle of integration. It was the great common policy. They thought that it was sacrosanct because it would bring the Community together. In fact, it has done the opposite. Far from being a vehicle of integration, it is the main source of disunity, of waste and of lack of progress. It is one area in which we should not try to develop a common policy. If we consider the different types of agriculture and Government intervention, we must recognise that there is no case for going down that road.

We must think of the investment that we could make in science and technology—areas where there is a case for saying that Britain is not large enough to act unilaterally and that there should be collaboration within the framework of the Community. Small countries such as ourselves, Germany and France cannot act alone against such large countries as Japan and the United States.

I regret that Britain is in this position. Surely there must be common ground at least on the view that the Government must take a tough line, although I do not dispute that during the present round of price fixing they have taken a tough line. They must not be prepared to concede further increases in prices for products in surplus.

8.59 pm

Mr. Roger Freeman (Kettering): I rise to support this Bill as one who supported entry into the Common Market originally and believes that we should stay in and play a very active role in its further development. I want to make four points very briefly.

The hon. Member for Hamilton (Mr. Robertson), opening the debate for the Opposition, was perhaps attacking from the financial standpoint figures for 1984 and 1985 before us in this Bill which are already set. We are currently running at a rate of approximately 1·2 per cent. VAT own resources contributions within the Community. We were about 1·1 per cent. in 1984 and already the draft budget for 1986 is 1·3 per cent. or 1·35 per cent. The figure for 1985 of 1·2 per cent. equivalent reflects the price-fixing largely in 1984, and the draft budget decision for 1986 reflects not only the accession of Spain and Portugal but also to some extent the price fixing which has already largely occurred.

I suggest to the hon. Gentleman that, instead of attacking this Bill, which should be addressed on its merits, it would be more constructive to address the draft budget for 1986 and, more important, the draft budget for 1987. There I can agree with him that a ceiling of 1·4 per cent. must be maintained and economies must be achieved, particularly in the discretionary spending of the Community. To criticise the intergovernmental payment for 1985 is to miss the point, because that was already predetermined by decisions in 1984. *[Interruption.]* My hon. Friend the Member for Southend, East (Mr. Taylor) indicates part of the reasons for the 1985 IGA and I will come to that in just a moment.

My second point—here I agree with my hon. Friend the Member for Corby (Mr. Powell)—is that we have to look at the deal as a package. *[Interruption.]* The hon. Member for Thurrock (Dr. McDonald) expresses some disagreement with what I am saying; it will be interesting to hear what she has to say in a minute. The plain fact is that the net contribution of this country from 1982-83 as a result of this Bill will remain broadly speaking the same. Speaking for the farmers in my constituency, as well as the industrialists and consumers, I say that that is a good deal. That is a contribution in absolute terms that it is well worth this country paying, not only for participating in the

common agricultural policy but also to enable the business men in my constituency to participate in the tariff-free European Economic Community.

Mr. Marlow: The gross contribution is also important, and that has gone up by 50 per cent. That is public expenditure. It may be that some of that public expenditure is within the United Kingdom, but if we are concerned to control public expenditure, gross European expenditure is also very important.

Mr. Freeman: I disagree with my hon. Friend. I am concerned about the net expenditure that affects public spending. When we talk about the 1985 IGA payment, I think that my hon. Friend is right. I know that he argues that we must look at that net of only the abatement that will operate in 1986 for that IGA payment and not necessarily net of the receipts to the agricultural community. That is right, but I look at the net contribution that appears in our public accounts and affects the PSBR, and that net contribution has not increased since 1982-83 and will not increase.

My third point is that I have heard no evidence, even from my hon. Friend the Member for Mid-Worcestershire (Mr. Forth)—who has left the Chamber, unfortunately, but will no doubt be returning shortly—to suggest that budgetary discipline is not working. The hon. Member for Walthamstow (Mr. Deakins) may shrug his shoulders, but no evidence has been added to the debate tonight to suggest that budgetary discipline is not working. The cereal year begins on 1 August and the Commission has not yet finished wrapping up its proposals to ensure that CAP expenditure rises in line with the restraints agreed at Fontainebleau. We are somewhat begging the question if we suggest that somehow agricultural expenditure is going to run away in the next year. I am not persuaded of that argument on the evidence presented.

I refer hon. Members to the Select Committee evidence, when my hon. Friend the Economic Secretary, in answer to a question on page 12 of the Minutes of Evidence, made it quite clear that there is no evidence yet to suggest that, simply because the regime for cereals and oilseed rape has not yet been firmly fixed, total agricultural spending will overstep the guidelines.

In conclusion, I should like to address a question to my hon. Friend the Economic Secretary concerning the carry-over not only of the revenue shortfall but also of agricultural spending. As far as the revenue shortfall is concerned—my hon. Friend the Member for Southend, East raised a question earlier which I shall now address —there was a revenue shortfall in 1984 of 400 million ecu, which has been carried into this year. The intergovernmental agreement for 1985 makes no provision for recovering that shortfall. It will be offset against a revenue surplus which might be 250 million ecu or 300 million ecu. It is right not to include in the intergovernmental agreement for 1985 any cover for that revenue shortfall, because it is a discipline against further expenditure within the Community this year.

Mr. Teddy Taylor *indicated dissent.*

Mr. Freeman: My hon. Friend the Member for Southend, East shakes his head. I shall be happy to give way to him if he wants to pursue that argument.

It is important to ensure that agricultural expenditure is not deferred. Cash limits to expenditure must come shortly so that sums agreed to be spent in one year are not squeezed into the next year to fulfil obligations incurred in a full calendar year. I should appreciate the Economic Secretary's comments on that, because if budgetary discipline is to mean anything, it must mean that obligations incurred are properly accounted for in the course of the year.

9.6 pm

Mr. Roger Moate (Faversham): My hon. Friend the Member for Kettering (Mr. Freeman) is a doubtful ally of the Government Front Bench, because his case seems to be that we have already overspent the 1·4 per cent. and so we should be worrying about the future and the next tranche. The Front Bench has tried to establish that 1·4 per cent. will hold good for some years. If he thinks that the solution lies in cash limits, it is strange to propose taking away the only effective cash limit which imposes some form of discipline on the CAP.

Several hon. Members referred to the Commission analysis, which states that in 1986 the VAT figure will be 1·35 per cent., leaving a gap of only a few hundred million ecu before the 1·4 per cent. is reached. Is that figure accepted by the Treasury? If it is, how does the Economic Secretary justify the 1·6 per cent. VAT figure in the treaty documents? Is that not a give-away for the next stage of the operation?

What will the new arrangements do to the net contribution by Britain in relation to other countries? The Foreign Secretary said that it was likely that in a few years' time France would become a net contributor. Other suggestions are that France will be a significant net contributor almost immediately. One of the many promises made by the Government Front Bench in recent years has been that the injustice whereby we are the second largest contributor would be put right in the negotiations. Even allowing for certain elements of speculation, we are entitled to know what forecasts the Treasury and the Foreign Office can make about who will and who will not be the largest contributors in the league table of net contributors to the European Community.

Many promises have been made by leading Ministers. We were led to expect much more than is being delivered by the Government tonight. The Government have themselves to blame for any disappointment. Our expectations were raised. We were promised fundamental reform of the CAP.

Some hon. Members who have spoken today do not believe in the need for that fundamental reform. They might argue that there should be some marginal improvement, but they are in a minority. The Opposition, the majority on the Government Benches and certainly the Government have argued for a long time for fundamental changes in the CAP.

Let me make my position clear. Arguments about idealism, reform and anti-Marketeering have been thrown about. I am one of those who resisted entry into the Community, but, ever since the clear mandate in the referendum, I have argued for reform of the Community. That is what we are after. We are in the Community and will stay in it, but if we are staying in, we are entitled to fight for reform in the interests of Britain and of Europe. The Government, the Prime Minister and the Foreign Secretary built up our expectations that the 1 per cent.

[Mr. Roger Moate]

ceiling would be used as a technique to secure fundamental and durable change. They have failed to deliver what they promised us.

If we remove the discipline of the 1 per cent. and have a considerably higher figure in two or three years' time, where is the discipline? The Government have thrown away an opportunity for reform. That will be regretted by the people of Britain and Europe. It is a tragedy that many of the follies of the CAP will continue. My constituents and others will continue to witness hillsides and estuarial lands being ploughed in pursuit of a foolish cereal policy, or taxpayers being called upon to compensate farmers for not following that policy. We shall have a continuation of nonsensical cheap exports to Russia, and we shall continue to pour out money on the destruction of oranges or lemons rather than on the things that right hon. and hon. Members want the Community to be doing. This is a missed opportunity, and I shall vote against the Bill.

9.11 pm

Mr. Eric Cockeram (Ludlow): My right hon. and hon. Friends will know that I have always been a supporter of the Common Market. Nevertheless, I have been critical of the inadequacy of the safeguards to control expenditure from the outset. Not enough was written into the original constitution on that subject. History has proved my criticism to be right.

I differ from several of my right hon. and hon. Friends who support the Common Market and who believe that they can show their sympathy with the cause of co-operation in Europe by throwing ever more money at the Brussels bureaucracy, as if it were some sort of virility symbol. Co-operation in Europe is not achieved merely by throwing still more money in that direction.

I accept that the United Kingdom has got a good deal in this transaction because we have an inbuilt refund mechanism. That does not satisfy me, however, because the increase in own resources from 1 to 1·4 per cent. is pretty substantial on any analysis. This was the moment when the Government should have ensured that there were sufficient safeguards to control expenditure. The opportunity will not recur.

The Common Market more than once has demonstrated its inability to control expenditure. It was literally running out of money in the autumn of 1983. The House should imagine what would happen if the Treasury ran our affairs on that basis. We should imagine what would happen if, one autumn, we could not pay pensions, unemployment benefit or the National Health Service. What a way to run a railway! What a way to run a Government or a European institution!

Something must be done. The problem is that the European Assembly—or Parliament as it likes to call itself—is a spending body. It is a pressure group that constantly requires more resources. Its virility symbol is its ever increasing expenditure. It constantly puts pressure on member Governments for more money, but it does not control expenditure.

The 1 per cent. income on VAT under the present constitution is index-linked twice. It is index-linked because, as expenditure rises in line with inflation in each country year by year, so the 1 per cent. yield rises. On top of that, there is the increased GNP of each member state, and as output and wealth rises in each country, so GNP expands. The 1 per cent. increase in VAT resources is also written into that. At present the EC is protected with an ever increasing income, without having to come back and ask for an increase from 1 per cent. to 1·4 per cent.

Substantial savings could be made in the Community by not duplicating expenditure. An argument in favour of the CAP is that that policy is administered from Brussels and not duplicated in each nation state, unlike expenditure on roads, by-passes and the many new constructions that one sees when one drives about the country, which are advertised as being assisted by, for example, a 10 per cent. grant from the Common Market funds. Assisted, be blowed. It is our money that is being expended on those projects. That money has been laundered not by one bureaucracy in Westminster, but by a second in Brussels. Overseas aid is another example of that. It is not necessary in developments of that nature, although the projects are worthy.

Why do we employ a Civil Service in this country to oversee a 90 per cent. expenditure and another Civil Service in Brussels to oversee Community expenditure? The same applies to overseas aid, which is duplicated by national Governments and in Brussels. It is time for the Government to devote more thought to that expenditure and, therefore, I oppose the measure. In my view, the Government should have ensured that greater powers and ability to control expenditure were written into the EC constitution before they conceded the principle of an increase from 1 per cent. to 1·4 per cent. in own resources.

9.17 pm

Mr. Teddy Taylor (Southend, East): As I have only a few minutes, it will not be possible to comment on the remarkable speech of my right hon. Friend the Member for Old Bexley and Sidcup (Mr. Heath). However, I should at least correct the record. My right hon. Friend said that the staff of the Commission was smaller than that of the Scottish Office and that he had checked the figures yesterday. There has not been a remarkable change over the past 24 hours, and the Commission staff today number 12,747, whereas the Scottish Office staff, including the staff at all Scottish prisons and the mental health hospital at Carstairs, number fewer than 10,000.

It would be tragic to pass the Bill. It provides for a massive increase in the public expenditure of the Common Market, which is spending more than half its income on the dumping, destruction and disposal of food surpluses. Conservative Members in particular, who are supporting spending cuts and the cutting out of waste, should realise that if they vote for the Bill they are voting for a massive increase in the expenditure of an organisation which spends more than half its cash on food dumping, with east Europe being the main beneficiary. How can we justify that if we believe in controlling public expenditure?

It might be worth doing that if we were receiving something in return. The tragedy is that we are committing ourselves to a consistently high contribution to the EC, which, according to the Treasury, in 1987 will be £973 million net. That is about £1 billion net a year compared with about £400 million on average during the past 12 years. We will not control agricultural spending. The Government have said that there are guidelines, but they know that the guideline agreement says that the figures can be exceeded if the majority of European states agree that the year has been exceptional or if there have been aberrant circumstances. Prices will certainly not control the

spending of the CAP. My hon. Friend the Economic Secretary is aware that it is not prices, but dumping costs, that cause the expenditure, and nothing in the package will restrain the increase in agricultural spending.

This will not be a good Bill for the British taxpayer, because it seems that we are committed for all time to a net expenditure of about £1 billion. It is not a good Bill for the British farmer, because, when the crunch eventually comes the effects on British agriculture will be disastrous. It is an appalling Bill for the Third world, because the people who are suffering most from the EEC's scandalous dumping policies are those in the Third world, who, because of Common Market policies, are denied a reasonable return for their produce. When we see countries getting £80 or £90 a tonne for their sugar, which is a low price established because of Common Market dumping, we should be ashamed of ourselves.

The one group of people who will be happy with the measure are those in eastern Europe, who will continue to get a massive amount of dumped food at knock-down prices, such as top quality beef at 35p a pound and wine at 4·5p a litre. It seems crazy that we are voting more spending to increase surpluses and subsidise eastern Europe.

People such as myself who originally opposed our membership of the EEC, and those who supported it, all accept that we are in the EEC, and there is no lawful way of withdrawing. For the past 12 years we have been told that the only chance of reforming the EEC would come when the money ran out. Now the money has run out. The Government said that there were two specific things on which they would not accept an increase unless they had been achieved. One was budgetary limits, which were legally binding. We do not have them. The second was a reform of the CAP. We do not have that.

As an hon. Member who supports the Government's policy of restraining public spending and cutting out waste, I believe that it is utterly shameful that we are voting for a Bill to provide for huge additional spending by the EEC when it is wasting more than half the money on food dumping. We should say to the EEC, "You save some money and cut out waste." In those circumstances, it would be a better deal for Britain, and, more important, a better deal for the Common Market as a whole.

9.22 pm

Dr. Oonagh McDonald (Thurrock): From press, television and radio reports over the past few days, it is clear that the Government have been carrying out a strong propaganda exercise to try to convince the people of Britain that the deal obtained at Fontainebleau last year is a good deal for Britain. There are many examples, including the Economic Secretary to the Treasury's article in *The Times* this morning, in which he presented the Bill as a change in the rules for good. Yet it is clear from the debate that most hon. Members have not been deceived by that propaganda exercise. Some hon. Members have declared themselves to be on the Government's side, in support of the Bill, such as the hon. Member for Ludlow (Mr. Cockeram), but it is clear from the content of their remarks that they are most critical of what the Government are doing tonight. If the hon. Member for Ludlow had not said that he supported the Government, one would not have guessed it from his speech.

It is clear that in the efforts to present the European Communities (Finance) Bill as a good thing for Britain, some of its implications have been played down. It increases own resources from 1 per cent. to 1·4 per cent. It also provides for an immediate gift from the United Kingdom to the EC of about £250 million to cover the EC's 1985 budget deficit. The Bill also provides for the £595 million rebate, which was unconditional only a year ago. Now it is conditional on the United Kingdom Parliament and all other national Parliaments agreeing to the increase in our own resources. The Economic Secretary referred to the extra £240 million that is to be paid to the EC. Even that figure instead of £252 million implies a more favourable exchange rate for 1985-86 than the explanatory memorandum in the public expenditure White Paper.

The increase in own resources from 1 per cent. to 1·4 per cent. tends to conceal the amount that we are paying into the EC. As the Select Committee on European Legislation once pointed out, 1 per cent. means an 11 per cent. contribution from our VAT take. Increasing the ceiling for own resources to 1·4 per cent. means that our contribution to the EC from our VAT take is probably nearer 14 per cent. We are therefore paying more into the Community despite the Bill and the so-called abatement mechanism that forms part of it.

The figures in the public expenditure White Paper show that, while for 1985-86 the net payments, including overseas aid, are £898 million, by 1987-88 they will rise to £973 million. The hon. Member for Southend, East (Mr. Taylor) was right, therefore, to talk about the Bill leading in future to payments of almost £1 billion a year to the Community without any firm agreement on budget discipline.

It is noteworthy that the Bill allows for extra payments to the Community, although there is no reference in it to budgetary discipline, which was supposedly agreed at Fontainebleau as being binding on each member state. Hon. Members have referred to gaps in relation to so-called budgetary discipline, and I shall return to that later. The fact that there is no reference in the Bill to budgetary discipline is a glaring omission. A provision dealing with that issue should be in the measure if it is to ensure that future spending by the EC is controlled.

As hon. Members have said, the new ceiling of 1·4 per cent. may last for only a further two years. The preamble to the decision recalls the Fontainebleau conclusion that the maximum rate may be increased to 1·6 per cent. on 1 January 1988. The ceiling of 1·4 per cent. is likely almost to be reached in the 1986 budget. Indeed, that budget suggests that the ceiling will be 1·35 per cent., only 900 million ecu below the 1·4 per cent. ceiling. Thus, the 1986 budget is already reaching the limits laid down in the agreement which the Prime Minister described as a triumph following her return from Fontainebleau.

Agricultural spending will account for two thirds of the 1986 budget. We do not yet know what the outturn will be, but it is likely that agricultural spending will form a greater proportion of the 1986 budget than the two thirds suggested in the draft budget provided by the Commission.

The preliminary draft budgets for 1983 and 1984 forecast that agricultural spending would account for about two thirds of the total. The outturn in each case resulted in agricultural spending taking a higher proportion, and the same is likely to happen in 1986.

The actions already taken by the Commission show how those price rises are likely to occur. The Economic Secretary, in evidence to the Select Committee on the

[Dr. Oonagh McDonald]

Treasury and Civil Service, and other hon. Members who support the Bill have referred to "firm" action by the Commission in laying down a 1·8 per cent. cut in cereal prices, but the original proposal was for a 5 per cent. cut. It was then knocked back to 3·6 per cent. and Agro Europe describes the present 1·8 per cent. proposal as "meaningless" because the price of cereals is already more than 20 per cent. too high. Cereal prices form an important part of the agricultural budget, so that meaningless cut gives us no confidence that agricultural spending in 1986 will be any more under control than it was in 1985 or in any previous year.

The hon. Member for Mid-Worcestershire (Mr. Forth) and the right hon. Member for Worthing (Mr. Higgins) have shown that the so-called budgetary discipline is utterly ineffective. It allows member countries to plead for price rises in exceptional circumstances, including changes in exchange rates affecting world food prices. Moreover, the budgetary discipline proposals put forward at Fontainebleau are not legally binding on the whole Community. The Prime Minster said on her return from Fontainebleau that she wanted those proposals to be legally binding, but she did not succeed in achieving that at Fontainebleau and she has not succeeded since. Neither Select Committee of this House believed that the proposals were legally binding and the House of Lords second report describes them as merely "a legal enigma". Budgetary discipline cannot be enforced. It is not included in the Bill and the Government have cheerfully ignored it in presenting legislation which allows increased spending in the Community. They have merely talked about the possibility of obtaining discipline over agricultural and other spending. They have abandoned any attempt to control the common agricultural policy which alone would ensure that spending on agriculture could be brought under control.

The Government have entirely abandoned all those objectives and have instead tried to present a con job, suggesting that the Bill is good for Britain and will ensure an abatement for us in the future and an end to the squabbling about farm prices and about spending in the Community as a whole. Not only have the Government failed to achieve that purpose. They do not even agree that it is a purpose. The Economic Secretary spoke in those terms in *The Times*. The Foreign Secretary, however, expects to be engaged in budgetary wrangles within the Government and in Brussels this year, next year and in years to come because he is perhaps more realistic about the Government's failure in Brussels, Fontainebleau and Stuttgart, even though he is not prepared to spell that out to the House of Commons. Both this year and in the future, agricultural spending will continue to rise as a proportion of the budget.

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): Bearing in mind the case that the hon. Lady is making, in the terrible eventuality that at some distant time there is another Labour Government, what would she do in negotiations that is different from what this Government are now doing? What would she do that this Government are not doing?

Dr. McDonald: The hon. Gentleman's criticism of the Government's policy towards Europe is well known. The more important question that he should face is what he will do in tonight's vote. The hon. Gentleman has frequently opened his mouth on the European Community and farm spending. Let us now see whether he has the courage to put his money where his mouth is. We want to know whether he will respond to the requests of many of his hon. Friends, who would very much like to see him voting in the Lobby against the Bill. We want to see whether the hon. Gentleman's position is entirely consistent. Let us see whether he can summon up the courage to vote against the Bill, given what he has said in the past.

On this and many previous occasions, the Opposition have simply said that the Government threw away a golden opportunity when the Community was running out of money and pressure could have been exerted to ensure that agricultural spending was brought under control through a reform of the CAP. That would have overcome the obscenities about which the hon. Member for Southend, East (Mr. Taylor) spoke — [HON. MEMBERS: "Obscenities?"] Yes, the obscenities of food mountains, of food going to waste in storage that is desperately needed in the Third world, and of food which the Community cannot even deliver to Ethiopia in time. Those are the obscenities of the CAP, yet when given the opportunity presented to them, the Government let it slip by.

They have given the game away by agreeing to pay more into the European Community. In 1988 at the latest, but probably much earlier, they will have to agree to raising the ceiling to 1·6 per cent. To find the money for such contributions they will perhaps agree to the proposal to be considered in Milan to widen the VAT base as part of VAT harmonisation. In order to achieve that, they may have to tax food, transport, or heating, in order to find the necessary resources, not only to pay more into the EEC but also to fritter away on tax cuts. The Government failed to take that opportunity, and instead agreed to pay more. They accepted budgetary discipline proposals which they know to be ineffective, and which have not been included in the Bill.

At the same time, the Community has 14·5 million people unemployed, 38 per cent. of them aged under 25. This year and next year, the regional and social funds will each represent only 5 per cent. of total spending. The Bill does nothing to deal with unemployment, which is the crucial problem in the Community. Instead, the Government have meekly given in to pressure from the farming members of the Community to give them the money that they want, and now they are trying to whitewash it in their presentation of the Bill. They also tried to whitewash it in the press briefings that they gave about the Bill, and too many members of the press swallowed the story that the Bill would be good for Britain. It will be a disaster for Britain. The EC will continue to waste money on unnecessary agricultural spending.

The House should reject the Bill, and I call on those Conservative Members who have been so critical of the Bill inside and outside the Chamber to have the courage to vote against it tonight.

9.41 pm

The Economic Secretary to the Treasury (Mr. Ian Stewart): The idea that the Government should take lessons in budgetary discipline from the Labour party is so absurd that it does not deserve comment. My right hon. and learned Friend the Foreign Secretary raised several of the wider issues of our membership of the EC, and those

themes were repeated in the debate by my right hon. Friend the Member for Old Bexley and Sidcup (Mr. Heath) and by many hon. Members on both sides of the House.

Time does not permit me to consider all the contents of the Bill this evening, so I shall concentrate on its European budget aspects. I should explain that part of the Fontainebleau agreement—this is the anniversary of the meeting at Fontainebleau when those decisions were taken—has been brought forward in several specific measures designed to carry out what was agreed by the leaders of the Community countries. The own resources decision provides for the increase in VAT to 1·4 per cent. and for the United Kingdom abatement. The Bill also contains the inter-governmental agreement which provided for transitional finance for 1985. At last, we have a budget for 1985, although it was rejected in the latter part of last year, and towards the end of this year the House will be asked to decide upon the accession of Spain and Portugal. In answer to my hon. Friend the Member for Mid-Worcestershire (Mr. Forth), who asked about this matter earlier, I should say that the provision for the increased contribution under the own resources decision is contingent on the ratification of the accession treaty.

The debate has, not surprisingly, concentrated on previous agricultural and other expenditure by the Community. Most hon. Members who are against the Bill have said that, because in the past the Community has spent too much money on agriculture, we should not vote for a Bill which is part of a package that includes measures to contain future expenditure. That is an absurd proposition. Of course, it is highly unsatisfactory that surpluses have grown in recent years and that they now cost so much to store and to dispose of. That excess production has imposed a great burden upon the European Community's budget. As my hon. Friend the Member for Mid-Worcestershire said, this is now a declining problem.

Mr. Marlow *rose*——

Mr. Stewart: Three years ago, the increase in agricultural expenditure was 27 per cent., two years ago it was 16 per cent., last year it was 9 per cent. and next year it will be less than 3 per cent.

Mr. Marlow: Is my hon. Friend saying that agricultural surpluses will decline? Will there be fewer surpluses next year compared with this year and fewer surpluses the year after that? If so, how does he know?

Mr. Stewart: If my hon. Friend will allow me to continue with my speech, I shall talk about the future for agricultural expenditure.

The hon. Member for Thurrock (Dr. McDonald) referred to the contribution to the European budget this year of £240 million as if that were money thrown down the drain. She forgets that part of that money will come back to this country in agricultural and other payments and that the balance will be subject to the Fontainebleau mechanism, so we shall probably pay only about £40 million. This is a measure of the importance of the abatement mechanism.

Many hon. Members have concentrated upon the guideline. The matters that are agreed between the Council members—they are in the form of conclusions which are binding on the Council — relate to agricultural expenditure and to non-obligatory other expenditure. The reference framework covers both. The guideline has not yet been brought forward merely because the whole budgetary process this year is late because last year the European Parliament threw out the 1985 budget. The budgetary discipline with respect to the agricultural guideline is fully endorsed by the European Commission. It has said that it will not permit the agricultural proposals to exceed the guideline as already established. For 1986 that is 20·6 billion ecu, which is an increase of only 3·5 per cent. over the current year's budget—a decline in real terms. The Commission's proposals are within that guideline; they are only 2·5 per cent. Last year, we had a zero price increase in the agricultural price fixing. This year, we are having a similar zero price increase. That meant a reduction in real terms last year of about 3·5 per cent. We expect a further reduction this year of the same order. That is a great change of direction for the Community and represents a significant impact on the budgetary discipline arrangements on the very first occasion on which the Community has been called upon to comply with them.

Mr. Forth: Why does the 1986 preliminary draft budget already represent a 1·35 per cent. VAT rate? How can my hon. Friend explain that in the context of what he is claiming for budgetary discipline?

Mr. Stewart: I shall explain the VAT rate in a moment. I said that the percentage increase proposed in the 1986 budget is only 2·5 per cent. — the lowest increase for a very long time. It represents a tight and tough target for the Community. [HON. MEMBERS: "Answer the question."] I shall come to the question of the 1·4 per cent. and 1·35 per cent. rates. Let me finish on the point about budgetary discipline.

Some hon. Members have said that this was a missed opportunity. They are complaining not about the fact that we do not have budgetary discipline but about the fact that we have not had budgetary discipline in the past. The problems with the budgets during the past year or two have been caused by the lack of budgetary discipline in the past. As part of the agreement at Fontainebleau, we have come to an agreement with other member states that budgetary discipline will be rigorously applied.

Mr. Teddy Taylor *rose*——

Mr. Budgen *rose*——

Mr. Stewart: My hon. Friends have drawn attention to exceptional circumstances and other technical provisions in the text, but how on earth can there be an absolutely rigid guideline for agriculture when one cannot even predict the weather at the beginning of the year? Of course we cannot. Any hon. Members who pretend otherwise are merely demonstrating how unrealistic is their approach to the Community budget.

The fact that the guideline is not rigid does not mean that it is not fast and tight. *[Interruption.]* The budgetary disciplinary measures are proving effective. I was asked whether France would be a net contributer. *[Interruption.]* France will be a net contributor in the coming year. That may be why French Ministers have shown themselves so much more interested and tougher in their approach to expenditure in the European Community.

The West Germans are in a contradictory position. They voted to support budget discipline and for guaranteed thresholds. They now find it difficult to accept the cereal price proposals.

[Mr. Stewart]

The long and difficult negotiations that have taken place in the Agriculture Council over the past four months are not a demonstration that budget discipline is not working. They are a demonstration that budget discipline is exercising a tight constraint on the decisions of Ministers of Agriculture.

If the budget discipline were not in place, I have no doubt that, as in previous years, if one country such as West Germany said that it was essential that it should put forward extra expenditure on cereals that would have been accommodated. That would probably have been the case in most past years. On this occasion, because budget discipline has been agreed by the Council and all member states and because the Commission is sticking by that, the Commission will not accept measures that will increase the budgetary cost of the Community's agricultural policy. The Commission has said that it will take the necessary measures in managing the markets to avoid any recourse to a supplementary or rectifying budget in 1985. It also said that the final outturn of the agriculture budget for 1986 and in the new price-fixing year will be budget neutral as a result of the proposals that it originally put forward.

Hon. Members may not like the fact that budget discipline is biting so hard. They may complain and say that it will impose too sharp a constraint on agriculture. Some may say that, because budget discipline applies to next year and the decisions which are now being taken, we should study what happened in the past and judge the future from that. That would be out of keeping with the arrangements agreed at Fontainebleau. The purpose of that agreement was to come to a new arrangement which would provide a lasting settlement of the British budget problem and deal with the problem of future agricultural overspending. The tight guidelines which have been agreed will ensure that that occurs.

Mr. Teddy Taylor: Does my hon. Friend agree that the strict budgetary guidelines which he has explained can be exceeded if the weather is unexpected and can be ignored by any amount, in any year, if the majority of member states decides that there have been exceptional or aberrant circumstances during that year? How can the guideline be strict?

Mr. Stewart: For good reasons. In the case of enlargement, comparable discipline must be applied to the new member states on accession. The Council of Ministers must be entitled to make its own decisions in the light of circumstances, but price fixing and the arrangements for clawback have been implemented to the letter by the Council and the Commission. That is the greatest assurance that the reforms for which we have worked for so long are now being put into practice.

I come to the 1·4 per cent. VAT ceiling. In 1983 and 1984, Community expenditure exceeded the 1 per cent. VAT rate. If the proposals put forward for the 1986 budget were accepted in full—that assumption cannot be taken for granted because the Budget Council has not yet studied them and the details have not been published — the illustrative figures given by the Commission suggest that even if the Community budget went to a rate of 1·35 per cent. it would still leave the United Kingdom contribution at 0·82 per cent.

I have been asked why the United Kingdom contribution will stay below 1 per cent. That question has been at the heart of the debate. Opposition Members and some of my hon. Friends complain that this would impose an extra burden upon the British taxpayer. The precise opposite is the case. Because of abatement, Britain will receive an automatic refund. It is called an abatement because we shall be able to deduct it from our contributions. Refunds will not have to be negotiated. Our contribution will remain below 1 per cent. Only in absolutely exceptional and unforeseeable circumstances would our contribution exceed 1 per cent. within the limit of 1·4 per cent.

For our receipts from the European budget to increase sufficiently, for our contribution to exceed 1 per cent., either FEOGA expenditure would have to rise in our favour from 11 per cent. of the Community budget to 14 per cent., which is far higher than it has ever been in the past and is unlikely to happen in the future, or our share of the regional and social fund, from which we receive about 25 per cent. of Community expendiure, would have to rise to about 45 per cent. That is clearly inconceivable. It is therefore a remote possibility that we should reach the 1 per cent. ceiling within the 1·4 per cent. limit.

Mr. John Townend: Some hon. Members who have reservations about the Bill might be persuaded not to oppose the Government if they were to give an undertaking that if proposals were introduced in this Parliament that own resources would be further increased by increasing VAT to 1·6 per cent. the Government would veto it.

Mr. Stewart: The 1·6 per cent. that is mentioned in the Fontainebleau text is not a commitment by anybody. This Government are not committed to increasing the ceiling. For the time being 1·4 per cent. is right, although what may happen in future years is not for me to predict. However, the unanimous agreement of all member states would be required and it would have to be approved by the Parliaments of all member states. Therefore, the possibility that that could happen without the full agreement of the Government of the day and of Parliament does not arise.

It has been suggested that we should be better off if the 1 per cent. ceiling were to be left in place. Nothing could be further from the truth. In domestic terms, our contribution would be about double what we shall be paying under the Fontainebleau abatement. If we kept our contributions at the 1 per cent. ceiling without abatement — and surely we should never get any abatement — *[Interruption.]* How could we negotiate an abatement or a refund if we were unwilling to ratify the agreement to which we have contributed so much? Our contribution would then be about £1·5 billion, which in today's values is what it was under the Labour Government. Are my hon. Friends asking the Government to return to the position in 1978 and 1979 when our net contribution, in today's prices, was about £1·5 billion? I cannot believe that they are.

We have not abandoned our bargaining power. We have used it to obtain a satisfactory and lasting settlement. It would be ridiculous to punish the European Community for its past excesses by voting against the Bill just at the time when the Community has accepted reforms that we have worked so hard to achieve. On that basis, I urge my right hon. and hon. Friends to support the Bill.

Question put, That the Bill be now read a Second time:—

The House divided: Ayes 352, Noes 184.

Division No. 246] **[10 pm**

AYES

Adley, Robert
Alexander, Richard
Alison, Rt Hon Michael
Alton, David
Amery, Rt Hon Julian
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Ashdown, Paddy
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beith, A. J.
Bellingham, Henry
Bendall, Vivian
Bennett, Rt Hon Sir Frederic
Benyon, William
Best, Keith
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Boyson, Dr Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brittan, Rt Hon Leon
Brooke, Hon Peter
Bruce, Malcolm
Bryan, Sir Paul
Buchanan-Smith, Rt Hon A.
Buck, Sir Antony
Burt, Alistair
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlile, Alexander *(Montg'y)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Chope, Christopher
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Colvin, Michael
Coombs, Simon
Cope, John
Cormack, Patrick
Corrie, John
Couchman, James
Cranborne, Viscount
Critchley, Julian
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord J.
du Cann, Rt Hon Sir Edward
Dunn, Robert
Durant, Tony
Dykes, Hugh
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Freud, Clement
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Goodhart, Sir Philip
Goodlad, Alastair
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, Sir Eldon
Grist, Ian
Ground, Patrick
Gummer, John Selwyn
Hamilton, Hon A. *(Epsom)*
Hampson, Dr Keith
Hancock, Mr. Michael
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, Sir Paul *(SW N'folk)*
Hayes, J.
Hayhoe, Rt Hon Barney
Hayward, Robert
Heath, Rt Hon Edward
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Heseltine, Rt Hon Michael
Hickmet, Richard
Hicks, Robert
Hill, James
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howe, Rt Hon Sir Geoffrey
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(N Norfolk)*
Hubbard-Miles, Peter
Hughes, Simon *(Southwark)*
Hunt, David *(Wirral)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irving, Charles
Jackson, Robert
Jenkin, Rt Hon Patrick
Jenkins, Rt Hon Roy *(Hillh'd)*
Johnson Smith, Sir Geoffrey
Johnston, Sir Russell
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Kennedy, Charles
Kershaw, Sir Anthony
Key, Robert
King, Rt Hon Tom
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lang, Ian
Lawler, Geoffrey
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter. *(Fareham)*
Lord, Michael
Luce, Richard
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
Maclennan, Robert
McNair-Wilson, P. *(New F'st)*
McQuarrie, Albert
Madel, David
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marshall, Michael *(Arundel)*
Mates, Michael
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Meadowcroft, Michael
Mellor, David
Merchant, Piers
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Miscampbell, Norman
Mitchell, David *(NW Hants)*
Monro, Sir Hector
Montgomery, Sir Fergus
Moore, John
Morris, M. *(N'hampton, S)*
Morrison, Hon C. *(Devizes)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Normanton, Tom
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Patten, Christopher *(Bath)*
Patten, J. *(Oxf W & Abdgn)*
Pawsey, James
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Prior, Rt Hon James
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Malcolm
Rippon, Rt Hon Geoffrey
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Scott, Nicholas
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Spence, John
Spencer, Derek
Spicer, Jim *(W Dorset)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steel, Rt Hon David
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stevens, Martin *(Fulham)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stradling Thomas, J.
Sumberg, David
Taylor, John *(Solihull)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Terlezki, Stefan
Thatcher, Rt Hon Mrs M.
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*

Thornton, Malcolm
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Trippier, David
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wainwright, R.
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Rt Hon P. *(W'cester)*
Wall, Sir Patrick
Wallace, James
Waller, Gary
Walters, Dennis
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watts, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitney, Raymond
Wiggin, Jerry
Wigley, Dafydd
Wilkinson, John
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Wrigglesworth, Ian
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Ayes:
Mr. Carol Mather and
Mr. Robert Boscawen.

NOES

Abse, Leo
Aitken, Jonathan
Anderson, Donald
Archer, Rt Hon Peter
Ashley, Rt Hon Jack
Ashton, Joe
Atkinson, N. *(Tottenham)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beggs, Roy
Bell, Stuart
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Blair, Anthony
Body, Richard
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, M. *(Brigg & Cl'thpes)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, Ron *(E'burgh, Leith)*
Buchan, Norman
Budgen, Nick
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian
Campbell-Savours, Dale
Carlisle, John *(N Luton)*
Carter-Jones, Lewis
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Concannon, Rt Hon J. D.
Conlan, Bernard
Conway, Derek
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Cunliffe, Lawrence
Davies, Rt Hon Denzil *(L'lli)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dicks, Terry
Dixon, Donald
Dobson, Frank
Douglas, Dick
Dubs, Alfred
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Forsythe, Clifford *(S Antrim)*
Forth, Eric
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
George, Bruce
Godman, Dr Norman
Golding, John
Gould, Bryan
Gourlay, Harry
Hamilton, James *(M'well N)*
Hamilton, Neil *(Tatton)*
Hamilton, W. W. *(Central Fife)*
Hardy, Peter
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Hawksley, Warren
Healey, Rt Hon Denis
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Howarth, Gerald *(Cannock)*
Hoyle, Douglas
Hughes, Robert *(Aberdeen N)*
Hughes, Sean *(Knowsley S)*
Janner, Hon Greville
John, Brynmor
Kaufman, Rt Hon Gerald
Kinnock, Rt Hon Neil
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Edward
McCartney, Hugh
McCusker, Harold
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
McKelvey, William
MacKenzie, Rt Hon Gregor
McTaggart, Robert
McWilliam, John
Madden, Max
Maginnis, Ken
Marlow, Antony
Martin, Michael
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Moate, Roger
Molyneaux, Rt Hon James
Morris, Rt Hon A. *(W'shawe)*
Nicholson, J.
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Pike, Peter
Powell, Rt Hon J. E. *(S Down)*
Proctor, K. Harvey
Radice, Giles
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Ross, Wm. *(Londonderry)*
Rowlands, Ted
Ryman, John
Sedgemore, Brian
Sheldon, Rt Hon R.
Shepherd, Richard *(Aldridge)*
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R. *(W'hampt'n NE)*
Skinner, Dennis
Smith, C. *(Isl'ton S & F'bury)*
Smyth, Rev W. M. *(Belfast S)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Stewart, Rt Hon D. *(W Isles)*
Stott, Roger
Strang, Gavin
Straw, Jack
Taylor, Rt Hon John David
Taylor, Teddy *(S'end E)*
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Torney, Tom
Walker, Cecil *(Belfast N)*
Weetch, Ken
Whitfield, John
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Winterton, Mrs Ann
Winterton, Nicholas
Woodall, Alec
Young, David *(Bolton SE)*

Tellers for the Noes:
Mr. Frank Haynes and
Mr. Ray Powell.

Question accordingly agreed to.

Bill read a Second time.

Bill committed to a Committee of the whole House. *—[Mr. Lennox-Boyd.]*

Committee tomorrow.

BUSINESS OF THE HOUSE

Ordered,

That, at this day's sitting, the consideration of Lords Amendments to the Representation of the People Bill may be proceeded with, though opposed, until any hour. *— [Mr. Lennox-Boyd.]*

European Communities (Finance) Bill [Money]

Queen's recommendation having been signified.
Motion made, and Question proposed,

That, for the purposes of any Act resulting from the European Communities (Finance) Bill, it is expedient to authorise—

(1) any increase attributable to that Act in the sums to be charged on and paid out of the Consolidated Fund or the National Loans Fund, or payable out of money provided by Parliament, under the European Communities Act 1972; and

(2) the payment of any sums into the Consolidated Fund or the National Loans Fund.—*[Mr. Lennox-Boyd.]*

10.15 pm

Mr. Nicholas Budgen (Wolverhampton, South-West): In such moments of tension, a large gathering often finds it useful to sing a song. If it were within my power to suggest a song to the House, it would be the song which I believe was fashionable in your generation, Mr. Speaker, during the war—"We'll meet again". There is no doubt that, after the decision of the House tonight, we shall meet again, and pretty soon. One thing is obvious—we have collectively thrown away the one serious obstacle that we had to overspending in the EC. It is obvious that the proposals for the 1986 budget are already taking a serious chance.

There has been no answer from the Government on whether the proposed budget is contemplating expenditure at the level of 1.35 per cent. There has been no answer from the Government about their assumptions about the level of the dollar. There has been no answer from the Government about whether they will com back again for another cut of public expenditure.—*[Interruption.]*

Mr. Speaker: Order. I ask the House to give the hon. Member a fair hearing.

Mr. Budgen: I ask no special favour. We shall be back, and the Treasury will tell us once again that it has control of this expenditure. We shall have yet another reiteration of lame promises.

I hope that some of my hon. Friends who were among the 131 hon. Members who signed an early-day motion last year, all of whom said that there was no place for an increase in expenditure on own resources, have a happy time this week explaining their change of stance to their constituents. I hope that they have a very happy time when we come back again in about one year—perhaps just before the next general election—and the Government present another lot of lame excuses and false promises about their having got control of expenditure in the EC.

In the words of Vera Lynn, "We'll meet again".

10.19 pm

Mr. Tony Marlow (Northampton, North): As I understand my history, this once fine and robust institution was established to control the people's money and to ensure that grasping potentates did not put their hands in people's pockets and spend their money without control. The prime duty of the House is to control expenditure and to ensure that the money is properly guarded and prudently spent.

When we joined the Eurpean Economic Community we agreed to certain terms and conditions, which set out the amount of money that we would be able to make available to the Community and in what circumstances, the 1 per cent. VAT limit, levies and customs duties. We have signified today that we are prepared to allow a foreign institution of which we are a member—other people and other countries—to control the money of the British people to a greater extent. Not ony that, but the way in which we have made the agreement today will show other member states that in future they have but to ask and it shall be yielded up unto them.

Not only in the past has the 1 per cent. ceiling been overcome by reimbursable loans, non-reimbursable advances and intergovernmental agreements, but today we are agreeing to increase the ceiling to 1·4 per cent. My hon. Friend the Economic Secretary to the Treasury was asked to give the House the guarantees that if during the life of this Parliament, our European partners asked us to increase the VAT limit to 1·6 per cent. he would veto it, but he was silent. That silence speaks words and, indeed, volumes. It tells those in the EC that if they want more British taxpayers' money, they can have it.

Today we have been concerned about the control of Community expenditure, especially the CAP. We have discovered from the speech of my hon. Friend that it is impossible to control agricultural expenditure.

Mr. Neil Hamilton (Tatton): On a point of order, Mr. Speaker. It is traditional for the speeches of the chief Government and Opposition spokesmen to be drowned in hubbub, because they are only doing a job and their speeches are usually boring, but, when a Back-Bench Member tries to make some serious points, he should be heard. Some hon. Members are preventing us from hearing what my hon. Friend the Member for Northampton, North (Mr. Marlow) is saying. I am sure that we would all be grateful if you could ensure that those hon. Members who are interrupting our proceedings are quiet or leave the Chamber.

Mr. Speaker: Order. Every hon. Member should be heard in the House, and there is a good deal of discussion going on. I think that the hon. Gentleman is coming to the end of his speech.

Mr. Marlow: You may be right, Mr. Speaker, but I do not know. I may run out of steam in about 30 seconds, but I may talk for some time. I am sure that many hon. Members present do not want to hear what I have to say, and I would not be the slightest bit insulted if they left the Chamber now.

I take this matter seriously, as I am sure my hon. Friends do. On behalf of the people whom we represent, we want to, and must, control Community expenditure, especially on the CAP. If we kept the 1 per cent. on VAT, the CAP would have to be controlled, because there would be no money to pay for increases. This year's budget is about 85 per cent. above the budget of four years ago. All hon. Members know that budgets are always overrun, and that we must make loans and intergovernmental agreements and bail out the Community. The probability is that this year we shall spend twice as much on the EC and the CAP as we did four years ago.

My hon. Friend the Economic Secretary bravely said, "Do not worry. It is all right. We have a financial mechanism. We have the matter under control. Spending cannot run away in future." However, there is a regular annual increase in production of European agriculture of about 2 per cent., whereas the increase in consumption of European agricultural products within the EC is zero. Therefore, each year our surpluses will increase, and surpluses will be piled on surpluses. Obviously, if there

[Mr. Marlow]

is a disaster in the Third world, a famine and starvation, only a small part of the surplus is needed and can be moved in that direction. We would all support that, if it can be arranged. However, much of our surplus goes to the Eastern bloc, as my hon. Friend the Member for Southend, East (Mr. Taylor) so eloquently said.

You and I know, Mr. Speaker, and I believe that the House knows, that the time will come when the Soviet Union and its allies in the Warsaw pact sort out their agricultural problems. They will become self-sufficient. So the Eastern bloc will be self-sufficient. China is becoming increasingly self-sufficient. India is becoming self-sufficient. Where shall we offload the growing surpluses that we shall have in the European Community? Instead of a deficit there will be a surplus, and a growing surplus, on the world market. The price that we get for our supluses, which will be even greater than in the past, will be even less than in the past. Therefore, if one multiplies the volume, which is increased, by the price difference, which is greater, one sees that the costs of the common agricultural policy will not be under control. They will increase. They will get further out of control.

Mr. Eric Forth (Mid-Worcestershire): Up to now, my hon. Friend has discussed only the surplus problem in the existing Community. Does he share my concern that, should the enlargement of the Community go ahead to include Spain and Portugal, which the House will be asked to approve some time later this year, the surplus problems which he has identified will be made much worse, if only because those countries are looking to the Community to invest in them to increase their productivity and production, and there will be greater surpluses in a new range of products?

Mr. Marlow: I take my hon. Friend's point. I am not against Spain and Portugal coming into the Community, but I appreciate that that will increase the burden. There is, there was, and there should be, another way, and that is to put a ceiling on EC expenditure—to put a cap on the CAP expenditure. If that happens, it may well be that there will be problems to be dealt with. It may well be that there will be increased surpluses. It may well be that those surpluses will be greater in some European countries than in others. Why do we have to maintain the same rigours of the CAP throughout each and every Community country in the same way. If in future some countries produce more surpluses, why should not the taxpayers in those countries pay directly for the increased surpluses that they are creating? Under the present circumstances, no one is directly responsible. The Agriculture Ministers all meet, and they agree, given the political imperatives in their own countries, that their own farmers have to be satisfied. They do not have to find the money. They just agree what prices they can get away with politically. Somebody else has to find the money.

If one spread the increased costs to the countries which were increasing those costs, those Agriculture Ministers, as members of their own Governments in their own countries, who have to be concerned about the taxpayers and consumers in their own countries, would sing a different tune. The buck would stop in the country where the surplus was being built up. That is a far more sensible way of dealing with the CAP. It is a way that would work and we could cut expenditure on the CAP.

People say that I am anti-European. I am not anti-European — [HON. MEMBERS: "No."] I thank hon. Members. I am not anti-European.

Sir Bernard Braine (Castle Point): My hon. Friend is a European whether he likes it or not.

Mr. Marlow: Indeed, I am a European whether I like it or not.

We want a large, unified market where 280 million people can trade. We want to cut down on non-tariff barriers, which we have done. But we do not need a colossal bureaucracy in Brussels across the Channel with a colossal budget to spend on European policies. If one is to allow insurance to cross frontiers in the European Community, if one is to allow goods to cross frontiers, if one is to allow companies to come together and have joint investment programmes, and if one is to increase the size of the market, why does one need money for that? We have dispensed with theproblem of the CAP. We should nationalise all or parts of it. That will save us some money. We do not need to vote for the money resolution on that basis.

Why else does the Community need money? Does the Community need money for social or regional policies? As my hon. Friend the Member for Ludlow (Mr. Cockeram) said, do we need to send our cash across to Brussels so that the people there can launder it and send it back to us? They put great signs up outside towns and on roads saying that it is Community largesse, that people should be grateful for it, that the Community works, and that it is Community money. It is our money that we send there. They take some of it for administration and bureaucracy, dilute it in other ways, and return it to us. It would be more sensible for us to make our own decisions with our own money.

The Government have advanced their case tonight on the basis that if we did not agree to the change in the VAT limits, we would not have had the system of rebates that will exist in future. The Government have claimed many times that it is a good deal because we shall be spending less money. That may be so, but under this deal our annual net contribution to the Community will be greater than it has been, and my hon. Friend the Member for Southend, East and others have said that within two or three years our net contribution will be about £1 billion a year.

What special benefit will we in the United Kingdom get that is not available to other Community countries? Why should we pay this extra money? Hon. Members have talked about a membership club, golf club and Christmas club fee and so on. Why is our fee so much greater than any other country's? There is no justice in that. Not only are we concerned to prevent others putting their hands in the pockets of our people and taking their money. We are concerned to see that our people get justice, and this £1 billion that we shall be spending is unjust expenditure.

The Minister said that this was the best we could get away with. I do not even believe that. We have massively underestimated our bargaining power. Consider the strength that we bring to Europe. We have oil in the North sea. There is almost a glut of energy at present, but circumstances can change rapidly. We have coal and oil, and the fact that we are energy-rich is a great strength to the other nations of Europe.

We have a massive deficit—of about £7 billion—in trade in manufactured goods with the rest of the European Community. That represents hundreds of thousands of

jobs. If we drove a hard bargain with the Community and said, "Why should we spend £1 billion a year for something that you are getting for nothing?" would we be told, "Get out of the Common Market. We do not want you any longer."?

Sir Kenneth Lewis (Stamford and Spalding): On a point of order, Mr. Speaker. I am wondering whether the ten-minutes rule has applied to speeches tonight. At any rate, it seems that the duration of speeches has been about ten minutes. Should it not apply now?

Mr. Speaker: Most certainly not.

Mr. Marlow: I am grateful to my hon. Friend for allowing me time, by raising that point of order, to get my second wind.

In view of our massive deficit in trade with the rest of the Community, what would happen if we insisted on a membership fee of, say, £300 million a year? That is a lot of money. Why we should pay £300 million when the French are paying nothing I am not sure. However, if, in negotiations, we insisted on that figure, would we be told to get out of the Common Market. Would the other countries say, "We will do without your market, your energy, your £300 million a year and your political expertise"? Not on your nelly, Mr. Speaker. They want us in.

The Government's mistake has been severely to underestimate our bargaining power. Having done that, and having brought the measure before the House today, the Government have told us—hooray, hooray—that, despite the 1·4 per cent. ceiling, we have actually got a really great deal because after the rebate it will cost us only 1 per cent. But why is that a good deal? Figures given to me yesterday by my hon. Friend the Economic Secretary show that our average net VAT payment to the Community in the past four years amounted to 0·5 per cent. after rebate, so this great deal today will double our commitment.

Ministers have said that our net contribution will be under control—we know that it will be about £600 million and then about £1,000 million and so on up. They tell us that the extra £240 million membership fee will actually cost us only £40 million because the rest will eventually come back. But it is all public expenditure. The Opposition will be trying to crucify us later in the year because of our cuts in housing benefit, especially for elderly people, many of whom have voted Conservative for a long time and have got used to that extra spending money. There is a danger that that benefit will be attacked as a result of the Fowler review. That will be a small amount compared with the £240 million but it is all public expenditure.

Our gross contribution to the Community has risen by 50 per cent. in the past four years. What other Government programme has risen by that amount? Community expenditure is out of control and passing the Bill today means that we shall have no hope of controlling it in the future. In response to interventions, the Government have said that the present ceiling will be 1·4 per cent., but they have not said that they will not agree to 1·6 per cent. or that they will not agree to further loans, doles, hand-outs, reimbursable this's and take-away thats. They have not said that there will be any further control. What if it rains? If it rains there will be a bigger crop and it will cost us more money, so even the 1·4 per cent. is not sacrosanct. The 1 per cent. that we had in the past was topped up by loans, too.

The message is clear. The signal is on go. Take no account, just spend the money. Increase agricultural expenditure, increase expenditure on bureaucracy. Dream up nice little European policies and make nice federal Europeans of us all. The message from the Commission is that everyone should go off and devise strategies and policies. Then there will be great bartering and negotiating sessions. Some policies will be thrown out and some will be accepted. Then, because the British Government want some policies to be accepted, they will have to agree to others that they do not want. Last week we listened to a lot of nonsense about the temperature in the centre of a frozen pea. Our retailers and shopkeepers will have to buy expensive equipment that they do not need to meet standards that are not required because European regulations say they must.

We have lost control over our own country. We have lost our sovereignty. We have lost control over our own people's money, especially in what we have done today. If we had kept the 1 per cent. limit on own resources there would have been a chance that sanity would prevail and that sensible policy would break out. Sadly, we have sold the pass. We have given in. The message is clear and I regret it very much.

10.39 pm

The Economic Secretary to the Treasury (Mr. Ian Stewart): I sense that the House might not wish me to return to the broad subject that we have been discussing all evening. I therefore confine myself to answering a question put by my hon. Friend the Member for Wolverhampton, South-West (Mr. Budgen) about the 1986 budget. This has not yet been published, so I cannot respond to his question.

Question put:—

The House divided: Ayes 317, Noes 158.

Division No. 247] **[10.40 pm**

AYES

Alexander, Richard	Brandon-Bravo, Martin
Alison, Rt Hon Michael	Bright, Graham
Amess, David	Brittan, Rt Hon Leon
Ancram, Michael	Brooke, Hon Peter
Arnold, Tom	Bryan, Sir Paul
Ashby, David	Buchanan-Smith, Rt Hon A.
Aspinwall, Jack	Buck, Sir Antony
Atkins, Robert *(South Ribble)*	Burt, Alistair
Atkinson, David *(B'm'th E)*	Butcher, John
Baker, Rt Hon K. *(Mole Vall'y)*	Butler, Hon Adam
Baker, Nicholas *(N Dorset)*	Butterfill, John
Baldry, Tony	Carlisle, Kenneth *(Lincoln)*
Banks, Robert *(Harrogate)*	Carlisle, Rt Hon M. *(W'ton S)*
Batiste, Spencer	Carttiss, Michael
Beaumont-Dark, Anthony	Cash, William
Beith, A. J.	Chalker, Mrs Lynda
Bellingham, Henry	Chapman, Sydney
Bendall, Vivian	Chope, Christopher
Benyon, William	Clark, Hon A. *(Plym'th S'n)*
Biffen, Rt Hon John	Clark, Dr Michael *(Rochford)*
Biggs-Davison, Sir John	Clark, Sir W. *(Croydon S)*
Blackburn, John	Clarke, Rt Hon K. *(Rushcliffe)*
Blaker, Rt Hon Sir Peter	Clegg, Sir Walter
Bottomley, Peter	Colvin, Michael
Bottomley, Mrs Virginia	Coombs, Simon
Bowden, A. *(Brighton K'to'n)*	Cope, John
Bowden, Gerald *(Dulwich)*	Corrie, John
Boyson, Dr Rhodes	Couchman, James
Braine, Rt Hon Sir Bernard	Cranborne, Viscount

Critchley, Julian
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Douglas-Hamilton, Lord J.
Dunn, Robert
Durant, Tony
Dykes, Hugh
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Freud, Clement
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Goodhart, Sir Philip
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, Sir Eldon
Grist, Ian
Ground, Patrick
Gummer, John Selwyn
Hamilton, Hon A. *(Epsom)*
Hampson, Dr Keith
Hannam, John
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Haselhurst, Alan
Hawkins, Sir Paul *(SW N'folk)*
Hayes, J.
Hayhoe, Rt Hon Barney
Hayward, Robert
Heath, Rt Hon Edward
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Heseltine, Rt Hon Michael
Hickmet, Richard
Hill, James
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Straf'd-on-A)*
Howe, Rt Hon Sir Geoffrey
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(N Norfolk)*
Hubbard-Miles, Peter
Hunt, David *(Wirral)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irving, Charles
Jackson, Robert
Jenkin, Rt Hon Patrick
Johnson Smith, Sir Geoffrey
Johnston, Sir Russell
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Kellett-Bowman, Mrs Elaine
Kennedy, Charles
Kershaw, Sir Anthony
Key, Robert
King, Rt Hon Tom
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lang, Ian
Lawler, Geoffrey
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Luce, Richard
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclennan, Robert
McNair-Wilson, P. *(New F'st)*
McQuarrie, Albert
Madel, David
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marshall, Michael *(Arundel)*
Mates, Michael
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Miscampbell, Norman
Mitchell, David *(NW Hants)*
Monro, Sir Hector
Montgomery, Sir Fergus
Moore, John
Morrison, Hon C. *(Devizes)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Normanton, Tom
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Patten, Christopher *(Bath)*
Patten, J. *(Oxf W & Abdgn)*
Pawsey, James
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Prior, Rt Hon James
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Malcolm
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Scott, Nicholas
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Spence, John
Spencer, Derek
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stevens, Martin *(Fulham)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stradling Thomas, J.
Sumberg, David
Taylor, John *(Solihull)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Terlezki, Stefan
Thatcher, Rt Hon Mrs M.
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Trippier, David
Twinn, Dr Ian
van Straubenzee, Sir W.
Viggers, Peter
Waddington, David
Wainwright, R.
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Wall, Sir Patrick
Waller, Gary
Walters, Dennis
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watts, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitney, Raymond
Wiggin, Jerry
Wigley, Dafydd
Wilkinson, John
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Wrigglesworth, Ian
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Ayes:
Mr. Carol Mather and
Mr. Robert Boscawen.

NOES

Aitken, Jonathan
Anderson, Donald
Archer, Rt Hon Peter
Ashley, Rt Hon Jack
Ashton, Joe
Atkinson, N. *(Tottenham)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beggs, Roy
Bell, Stuart
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Blair, Anthony
Body, Richard
Boyes, Roland
Brown, M. *(Brigg & Cl'thpes)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, Ron *(E'burgh, Leith)*
Budgen, Nick
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Carlisle, John *(N Luton)*
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Conlan, Bernard
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Cunliffe, Lawrence
Davies, Rt Hon Denzil *(L'lli)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dicks, Terry
Dixon, Donald
Dobson, Frank
Douglas, Dick
Dubs, Alfred
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Faulds, Andrew

Field, Frank (Birkenhead)
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Forsythe, Clifford (S Antrim)
Forth, Eric
Foster, Derek
Foulkes, George
Freeson, Rt Hon Reginald
George, Bruce
Godman, Dr Norman
Gourlay, Harry
Hamilton, James (M'well N)
Hamilton, Neil (Tatton)
Hardy, Peter
Harrison, Rt Hon Walter
Hawksley, Warren
Haynes, Frank
Healey, Rt Hon Denis
Hogg, N. (C'nauld & Kilsyth)
Holland, Stuart (Vauxhall)
Howarth, Gerald (Cannock)
Hoyle, Douglas
Hughes, Robert (Aberdeen N)
Hughes, Sean (Knowsley S)
Janner, Hon Greville
John, Brynmor
Kaufman, Rt Hon Gerald
Lambie, David
Leadbitter, Ted
Leighton, Ronald
Lewis, Terence (Worsley)
Litherland, Robert
Lloyd, Tony (Stretford)
Lofthouse, Geoffrey
Loyden, Edward
McCartney, Hugh
McCusker, Harold
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen (Penistone)
McKelvey, William
MacKenzie, Rt Hon Gregor
McTaggart, Robert
McWilliam, John
Madden, Max
Maginnis, Ken
Martin, Michael
Maxton, John
Millan, Rt Hon Bruce
Mitchell, Austin (G't Grimsby)
Moate, Roger
Molyneaux, Rt Hon James
Morris, Rt Hon A. (W'shawe)
Nicholson, J.
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Pike, Peter
Powell, Rt Hon J. E. (S Down)
Powell, Raymond (Ogmore)
Radice, Giles
Randall, Stuart
Redmond, M.
Richardson, Ms Jo
Roberts, Ernest (Hackney N)
Robertson, George
Robinson, G. (Coventry NW)
Ross, Wm. (Londonderry)
Rowlands, Ted
Sedgemore, Brian
Sheldon, Rt Hon R.
Shepherd, Richard (Aldridge)
Shore, Rt Hon Peter
Short, Ms Clare (Ladywood)
Short, Mrs R.(W'hampt'n NE)
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C.(Isl'ton S & F'bury)
Smyth, Rev W. M. (Belfast S)
Soley, Clive
Spearing, Nigel
Strang, Gavin
Straw, Jack
Taylor, Rt Hon John David
Taylor, Teddy (S'end E)
Thompson, J. (Wansbeck)
Thorne, Stan (Preston)
Torney, Tom
Walker, Cecil (Belfast N)
Whitfield, John
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Winterton, Mrs Ann
Winterton, Nicholas
Woodall, Alec
Young, David (Bolton SE)

Tellers for the Noes:
Mr. Tony Marlow and
Mr. K. Harvey Proctor.

Question accordingly agreed to.

Resolved,

That, for the purposes of any Act resulting from the European Communities (Finance) Bill, it is expedient to authorise—

(1) any increase attributable to that Act in the sums to be charged on and paid out of the Consolidated Fund or the National Loans Fund, or payable out of money provided by Parliament, under the European Communities Act 1972; and

(2) the payment of any sums into the Consolidated Fund or the National Loans Fund.

Representation of the People Bill

Lords amendments considered.

Clause 1

EXTENSION OF PARLIAMENTARY FRANCHISE

Lords amendment: No. 1, in page 2, line 3, after "date" insert

"subject to subsection (3A) below".

10.52 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. David Mellor): I beg to move, That this House doth disagree with the Lords in the said amendment.

Mr. Speaker: With this it will be convenient to take Lords amendments Nos. 3 to 6, 11, 13, 15 to 18 and the amendments, in the name of the hon. Member for Berwick-upon-Tweed (Mr. Beith), to Lords amendments Nos. 6, 11 and 18.

Mr. Mellor: Considerable debate took place in the House and outside it to find an acceptable basis on which to make progress on the Bill. This led to the gratifying conclusion that the legislation had an unopposed Third Reading.

It is common knowledge that some Conservative Members wanted a more generous extension of the franchise to British citizens overseas than the five years contained in the Bill. It is equally clear that some Opposition Members would have preferred more modest proposals to succeed than those agreed by the House. In the proper spirit which I think should guide us when discussing issues relating to the electoral rules, a compromise was reached, and the five-year provision was agreed.

The other place proceeded to discuss the question of officials working for the European Community and concluded that European Community officials should be enfranchised as if they were diplomats and serving soldiers who, by long tradition, have had the right to vote while serving overseas. There are problems with that proposition. I can identify two of them. The first has been perceptively observed by the hon. Member for Berwick-upon-Tweed (Mr. Beith), who has noted that, if the decision is taken to extend the franchise to officials of the European Community, there is no logic in not extending it to the officials of NATO, the Council of Europe or the Western European Union. There is an irresistible logic in that proposal, as is the case occasionally with proposals advanced by the hon. Gentleman.

Secondly, there is the question whether it is appropriate for the House to make further distinctions between officials and people working overseas privately. We honour what has been dignified by a historical position in our electoral arrangements — the privilege of voting accorded to members of the armed servies and of the diplomatic corps. I should be hard put to it to say that someone who works for the European Community and undoubtedly does valuable service, as do about 1,500 of our fellow citizens, is necessarily any more worthy of being permitted to vote in a British election than someone who represents in Brussels the interests of ICI, ICL or any of our other great companies.

In logic, it is impossible to defend the Lords amendment. If we are prepared to drive that wedge into the five-year proposal, we should accept the hon. Gentleman's proposition. While I hope that, in the not-too-distant future, the House will return to this subject and determine that everyone who works overseas for a period longer than five years should have the vote, that day has not dawned. I wish to honour the arrangement into which we entered earlier. I do not think that it is right to perpetuate distinctions between officials and others and on that basis I advise the House to negative the Lords amendment.

Mr. Gerald Kaufman (Manchester, Gorton): I should like to thank the Minister for what he has said. It is highly generous of the Government to come to the House and confirm the arrangement that was reached here when the Bill was going through.

It is proper for all the reasons that the Minister has given that we maintain the Bill as it was sent to the House of Lords and that we do not start being selective in terms of allocating extended franchises to one group rather than to another.

I pay tribute to the Government for the way in which they are conducting the Bill. The Opposition will be voting to delete the amendment from the Bill.

Mr. A. J. Beith (Berwick-upon-Tweed): The Government and the Opposition find themselves in a strange pickle tonight. The right hon. Member for Manchester, Gorton (Mr. Kaufman) did not refer to the fact that his noble Friends in another place voted to include the amendment in the Bill. They did so on an official Labour party vote. The amendment would not be before us tonight if they had not done so. If we studied the arithmetic, we would find that the amendment probably would not have been accepted without their support.

A noble succession of Labour peers such as Lord Cledwyn of Penrhos joined Lord Mishcon in the Division Lobby to bring that about. The right hon. Gentleman has done us a disservice by not giving the customary summary of the arguments that his noble Friends found so persuasive in another place. Lord Mishcon said that he would put those people who worked for the European Community in the same line as members of the armed forces an the diplomatic corps. He said that he had met many of the people involved and thought that they were definitely representing British interests abroad. He said that while many of his noble Friends were in favour of continuing membership of the Community many were not. None the less, he thought it right officially to commit the Labour party to supporting the extension of the franchise to British citizens who were servants of the European Community.

I do not know what subsequently passed between Lord Mishcon and the right hon. Member for Gorton. Now that we are contemplating the televising of Parliament, provision should perhaps be made for the televising of such discussions as took place subsequently between Lord Mishcon and the right hon. Member for Gorton. It ought to be brought to our screens so that we could hear the full flow of invective from the right hon. Member for Gorton and the full range of adjectives that he deployed when the news was brought to him.

But the right hon. Member is not the only one to have reneged upon his commitments. The amendment that the Government are asking the House to overturn was not the

amendment that was originally moved by Lady Elles when she proposed that British citizens working for the European Community should have the right to vote. That amendment was passed by another place, but the Government said that the amendment, although not defective, could be improved upon. They later brought before another place a Government amendment setting out in what they thought were better terms the basis upon which British citizens working for the European Community should be given the right to vote. That amendment was carried without a Division. It is the Government's own choice of words they are now asking the House to overturn in the forthcoming Division.

11 pm

Mr. David Winnick (Walsall, North): Is the hon. Gentleman suggesting that the vote should be extended, regardless of whether the person living abroad has a secure family background?

Mr. Beith: The hon. Gentleman's intervention is completely irrelevant. I do not speak, as did his right hon. Friend the Member for Gorton, as if those to whom we say the franchise should be extended are a wholy army of tax dodgers, criminals and fugitives from justice.

Mr. Dennis Skinner (Bolsover): Will the hon. Gentleman give way?

Mr. Beith: No. I shall not give way to the hon. Gentleman. My right hon. and hon. Friends and I reject the notion put about by the Labour party that British citizens living abroad are in some sense disloyal to this country because they want to vote in British elections while they are serving British interests abroad. To suggest that those who are working for the European Community, the Council of Europe or the Western European Union are disloyal to this country because of their residence abroad and have forfeited their right to take part in elections in this country is the sort of monstrous absurdity which only the modern Labour party could promote.

Mr. Roger Moate (Faversham): Is the hon. Gentleman suggesting that somebody who works for Imperial Chemical Industries or any other commercial organisation is disloyal to this country? He has left them out of his amendment.

Mr. Beith: The hon. Gentleman tempts me to repeat the speeches that I made in earlier debates. I argued that the franchise should be extended to precisely those people. Who are denying the franchise to them? It is being denied to them by the hon. Gentleman's Government and the Ministers on his Front Bench. They are unwilling to extend the franchise because of the agreement that they have reached with the Labour party.

I understand why the Under-Secretary of State feels that he is bound by the agreement that has been entered into with the Labour party, but how could that agreement have remained in force once the Labour party gave such a clear signal to the Government as it gave by its vote in another place? The shackles and bonds were broken. Consensus politics were working. Members of every party in another place agreed that there should be a modest extension of the franchise, which the Under-Secretary of State claims he favours, to British citizens serving British interests abroad. However, the Government have reneged on the amendment that they moved in another place on Third Reading and have failed to seize the opportunity that was presented to them, based on consensus, to have a modest extension overseas of the franchise.

However, the Minister raised the fair question whether it was reasonable to make a partial extension. Of course, we could raise the same question about the decision for the five-year limit which is so restrictive that it will give few opportunities to British citizens living overseas.

I have stated the case and tabled an amendment. I stand by my case that there is a good reason to extend the franchise to those serving British interests in their work for the WEU, the Council of Europe or NATO. I tabled the amendment in that form knowing that, at this stage in the proceedings, there was no chance of getting back to what I originally argued for — and for which I would have been grateful for the support of the hon. Member for Faversham (Mr. Moate)—which is that there should be much wider provisions for British citizens overseas to vote. It places a very low value on British citizenship if we do not assume that it confers voting rights. I wish to place a high value on British citizenship.

There is one distinction in logic that we can make between the European Community and the other institutions that I have mentioned—one which the hon. Member for Faversham would certainly make. It is that the European Community has law-making powers in this country which are not possessed by any of the other bodies. That places it in what I am sure he and others who occupied the time of the House tonight would argue as a rather different category. However, put at its lowest, half a loaf is better than no bread. I am sufficiently committed to an extension of the franchise to British citizens working overseas to believe that the step forward taken by another place in making that extension to those working in the European Community was important enough to justify this House retaining it. That makes me both a little surprised and not a little annoyed that the Government should seek to overturn a very sensible amendment.

I am fascinated by the gyrations of the Labour party, which one day of the week argues that this amendment should be passed and votes for it through its representatives in another place, but in this House take the opposite view. Things have reached a strange state, but we shall be consistent and vote against the Government.

Mr. Douglas Hogg (Grantham): The speech of the hon. -Member for Berwick-upon-Tweed (Mr. Beith), which I assume was the official response of the Liberal party, was both bizarre and unacceptable. It was unacceptable for two reasons. First, the Liberal party is now committing itself to the bizarre view that an important distinction should be made between officials on the one part and wealth creators on the other. The Liberal party is clearly disclosing itself as the party of the bureaucrat. I have never doubted that, but I am awfully glad that the Chief Whip of the Liberal party has come to this place to make that clear.

The other reason why what the hon. Gentleman said is unacceptable is that the Liberal party and its funny little friends in the SDP have been wandering around trying to suggest that we should govern this country by some form of consensus. On a very important matter we have a consensus — it has been possible, on a major constitutional matter, to reach agreement between the two Front Benches. I find that highly desirable. But when that happens, what do we find? The funny little men in the

[Mr. Douglas Hogg]

Liberal party and the even funnier little men in the SDP come to grumble. The bizarre speech of the hon. Gentleman is not merely strange: it is utterly unacceptable.

Sir Russell Johnston (Inverness, Nairn and Lochaber): I had not intended to make a speech, but the wholly mischievous, ill-informed and totally unprincipled speech of the hon. Member for Grantham (Mr. Hogg) so aroused me that I felt that I must at least make a short contribution.

I remind the hon. Gentleman that his Minister made a lot of the fact that some compromise had been reached. I think that he used the expression "a proper spirit of compromise". He said that some Conservatives wanted a more generous allocation, that there some Labour Members wanted a more miserly allocation, so they split the difference.

As my hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith), the Liberal Chief Whip, said, the Liberal party and the SDP also want a more generous allocation. We are on his side, and in terms of trying to weigh a compromise that is of some significance.

The hon. Gentleman absurdly—he knows it himself, by the smile on his face—suggested that we wanted to make some distinction between officials and these great wealth-makers. The hon. Gentleman has many speeches on record that show that this is quite simply not true. We would have liked to see a proper opportunity for people working for the United Kingdom abroad to vote in British elections. It is the sort of thing that is commonplace in other countries. It happens in the case of the Italians, for example, and in the case of others, who are able to vote in this country in their own elections without any difficulty. It is regarded as normal and reasonable. Why the hon. Member for Grantham should think it is unreasonable, if he is as democratic as I dare say he considers himself to be, I fail to understand.

Mr. Tim Rathbone (Lewes): Following the hon. Member for Inverness, Nairn and Lochaber (Sir R. Johnston) somehow winds the clock back about 10 years to the debates that we had late into the night on Scottish assemblies, and so forth. I can remember a speech that he made that was a source of great enjoyment for the whole House at a late hour one evening. But I do not follow his line of argument this evening.

This debate is peculiar on one or two scores. First, as the hon. Member for Berwick-upon-Tweed (Mr. Beith) pointed out, it is peculiar that there is such disagreement between the Labour party's stand here and its stand in the other House.

Secondly, it is peculiar that both Liberal Members who have spoken so far seemed to deride any disagreement between the other place and this House. Disagreement between them and us seems to be to be a perfectly healthy form of constitutional behaviour. It has gone on in the past and will, I am sure, go on in the future. The parliamentary democracy in which we operate is the better for it.

Thirdly, it is peculiar, as my hon. Friend the Member for Grantham (Mr. Hogg) pointed out, because, as the amendments standing in the name of the Liberal party identify, it seems to put the Liberal party firmly in the peculiar position of asking for special rights for bureaucrats. It is absurd——

Mr. Beith: Rubbish.

Mr. Rathbone: The hon. Gentleman says "Rubbish", but the amendment is only and solely on behalf of bureaucrats in Europe. It is no good his saying that at this late stage of the evolution of this Bill he could do no more, because I believe that that is the argument of the non-trier. He is showing the Liberal party in this marvellous new guise of being overly in favour of those people who travel round the world doing bureaucratic jobs but against those people—they are not included in this amendment—who are helping this country and earning their living abroad.

I am one of those who have been frustrated by the Government's lack of extension of the right to vote on a far more liberal basis than the Bill at present deploys. I am delighted that my hon. Friend the Minister made reference to those on these Benches who are so inclined and reiterated what the Home Secretary said during the debate in the House—that this was a step forward and that we would be returning to this at some moment in future to see what further steps forward could be contemplated.

It is remarkable that a major and constitutional advance has been made across the House by agreement between the two major parties. I fear that, judging by its amendments, the alliance eschews being a major party.

There is agreement across the House about this major constitutional improvement. I hope that the Government will stand fast in denying the Lords their amendment. In the same breath, I say that the Government will have to return to the subject with energy and enthusiasm and take it a step forward.

11.15 pm

Mr. Robert Maclennan (Caithness and Sutherland): The offensiveness of the attack by Government Members on public servants operating in communities to which this country belongs by treaty will be noted widely and will do no credit to those who have committed such remarks to the *Official Report*.

The spectacle of the Government going through the gyrations which they have thought appropriate in relation to the Bill are not edifying. They have not sought to explain why it is right to reject the principles embodied in the amendments, to accept and redraft them, and then to recommend to the House that it should throw them out, having commended them to the other place.

Mr. Mellor: The hon. Gentleman is wrong. The Government spokesman in another place did not commit the Government to accepting this proposition. It seemed fair that he should ensure that the other place having made its views clear in a Division should ensure that the Bill was set in a form approved by parliamentary draftsmen. It was made clear at every stage that the Government reserved their position for when it came back to this House.

Mr. Maclennan: The Minister is adding to his earlier statement. To use the language of the "silly little man", the hon. Member for Grantham (Mr. Hogg), it is bizarre. To improve the language of the Bill, it is extraordinary for the Government to commend these measures to the other place and not to produce a single argument of substance. That will not be noted.

Mr. Skinner: Not in Brecon.

Mr. Maclennan: The Minister talked about the distinction between officials and others and suggested that——

Mr. Skinner: He could be an encyclopaedia seller.

Mr. Maclennan: The hon. Gentleman will wish to make his own contribution.

Mr. Skinner: Yes, I will.

Mr. Maclennan: The hon. Gentleman will, in his own time, make his speech without interruption from me.

There should be no doubt that my right hon. and hon. Friends believe that the right to vote should be enjoyed by British citizens regardless of the territory in which they live. It is of great importance that citizens should enjoy that fundamental right of citizenship and not be deprived of it by some temporary arrangement between certain spokesmen—apparently there is not unanimity on this subject in the Labour party—of the Labour party and the junior Minister who happens to be responsible for the conduct of the Bill tonight.

One has only to read the record of earlier debates on these matters to draw a stark contrast between what the Minister said tonight and what was said by his colleague in another place. It is patent nonsense to suggest that there is anything other than a squalid political deal which deprives citizens of rights which they ought properly to enjoy. The two Front Benches have collaborated to stop the clock and to prevent people from enjoying their proper constitutional rights. That is no credit to Ministers, or would-be Ministers, and they will learn to regret it.

These amendments represent matters of great substance to many thousands of citizens, who will dislike being drawn into this debate. It has become clear that their services to the country are little appreciated by those who continue to deprive them of the right to influence the country's future. The idea that servants of the country in NATO are not worthy of a vote is not a concept that can commend itself to anybody who cares to speak about defence in the West, as the Government do.

It does not do the country any credit to deprive our officials in the Western European Union of a vote. The Government tell us that that organisation must be the centre of European defence in future. They appear to believe that increasing diplomatic weight should be put on it, and yet they wish to continue to deprive our citizens who work for it of any right to participate in our general elections. What kind of logic is that? It is all to appease right hon. and hon. Members on the other side of the Gangway. It is being done for a simple political purpose —to elevate the political importance of people, such as the right hon. Member for Manchester, Gorton (Mr. Kaufman), who posture as members of an alternative Government. The more they posture, the less it will be believed that they are worthy of support.

The people who serve the country in commerce, banking and industry around the world are equally deserving of the vote. We shall return to this matter when we are in a position to amend our constitution. As long as our constitutional law is arranged by squalid little fixes, we live in the 19th century.

Mr. William Powell (Corby): I must tell the hon. Members for Berwick-upon-Tweed (Mr. Beith), for Inverness, Nairn and Lochaber (Sir R. Johnston) and for Caithness and Sutherland (Mr. Maclennan) that their argument is profoundly wrong. They will recall that I originally proposed the amendment that the right to vote for British subjects resident abroad should be open and large, and not restricted by a time limit. I was delighted that the hon. Gentlemen were prepared to support my hon. Friend the Member for Lewes (Mr. Rathbone) and me in the Division Lobbies.

A reason why the Liberal amendment is wrong is that, having taken the five year cut off point, they propose that a limited class of persons should be enabled to vote beyond that period. The franchise should either be universal, subject to the limited exceptions that we make of convicted criminals, lunatics and members of the House of Lords, and rest in everybody or nobody. The hon. Gentlemen propose to extend that right to a small number of people, which will create anomalies. That is why they are profoundly wrong to advance the case that they have. If we want to extend the right to vote beyond the five year period, as I do, we must extend it for more than five years, not create little classes of people here and there who are given that right beyond the five year period, regardless of the rights of our people as a whole.

I shall make a further point, which is of wider constitutional importance. We live in an age when the other place imagines that it has a duty beyond that of being a revising chamber. More and more, it is taking major and substantive political initiatives, which it knows have been rejected in the House. In this area, which determines the right of people to vote for members of this House, above all other when the House has reached a deliberate, settled political conclusion, we are entitled to expect that that decision receives respect in the other place. The other place has tried to take a political initiative, which it is neither right nor proper for it to take.

In those circumstances, I commend my hon. Friend the Parliamentary Under-Secretary and the right hon. Member for Manchester, Gorton (Mr. Kaufman) for the way in which they have handled the matter. I shall certainly support them tonight.

Mr. Skinner: Tonight the House would do our electors a great service by rejecting the amendment from the Liberal offshore alliance. On Thursday I pointed out to the voters in Brecon and Radnor, including many Liberals, that this Tuesday we would have a debate about giving £252 million to the Common Market because it was bankrupt and that later there would be a debate about giving votes to the claret drinking tax dodgers in the Common Market.

I have always argued that SDP and Liberal Members are Common Market fanatics, and that has been proved tonight. We would do the electors of Brecon and Radnor a service by ensuring that tonight's voting list is sent there to show how many of those hon. Gentlemen are prepared to serve the interest of those in the Common Market before that of those in Brecon and Radnor, and Wales.

I thought that the Liberals would have more sense. They will soon want to give a vote to Ronnie Biggs, all the tax dodgers on the Costa del Sol, and Tony Jacklin with his golf clubs in Spain. It is high time we paid more attention to those who pay taxes in Britain, rather than to those who have swanned off on the gravy trains to evade paying tax. No representation without taxation.

Question put, That this House doth disagree with the Lords in the said amendment:—

The House divided: Ayes 327, Noes 13.

Division No. 248] **[11.30 pm**

AYES

Aitken, Jonathan	Amess, David
Alexander, Richard	Ancram, Michael

Anderson, Donald
Archer, Rt Hon Peter
Ashby, David
Ashley, Rt Hon Jack
Ashton, Joe
Aspinwall, Jack
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Atkinson, N. *(Tottenham)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Barnett, Guy
Barron, Kevin
Batiste, Spencer
Beaumont-Dark, Anthony
Beckett, Mrs Margaret
Beggs, Roy
Bell, Stuart
Bellingham, Henry
Bendall, Vivian
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Benyon, William
Bermingham, Gerald
Biffen, Rt Hon John
Blackburn, John
Blair, Anthony
Blaker, Rt Hon Sir Peter
Boscawen, Hon Robert
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Boyes, Roland
Boyson, Dr Rhodes
Brandon-Bravo, Martin
Bray, Dr Jeremy
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, Ron *(E'burgh, Leith)*
Bruinvels, Peter
Buck, Sir Antony
Burt, Alistair
Butcher, John
Butterfill, John
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Carlisle, Kenneth *(Lincoln)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Chope, Christopher
Clark, Dr David *(S Shields)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clarke, Thomas
Clay, Robert
Clegg, Sir Walter
Clwyd, Mrs Ann
Cockeram, Eric
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Conway, Derek
Cook, Robin F. *(Livingston)*
Coombs, Simon
Cope, John
Corbett, Robin
Cowans, Harry
Craigen, J. M.
Cranborne, Viscount
Crouch, David
Cunliffe, Lawrence
Currie, Mrs Edwina
Davies, Rt Hon Denzil *(L'lli)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dickens, Geoffrey
Dicks, Terry
Dobson, Frank
Dorrell, Stephen
Douglas, Dick
Douglas-Hamilton, Lord J.
Dubs, Alfred
Dunn, Robert
Dunwoody, Hon Mrs G.
Durant, Tony
Dykes, Hugh
Eadie, Alex
Eastham, Ken
Eggar, Tim
Evans, John *(St. Helens N)*
Ewing, Harry
Fairbairn, Nicholas
Fallon, Michael
Fatchett, Derek
Favell, Anthony
Fenner, Mrs Peggy
Field, Frank *(Birkenhead)*
Fisher, Mark
Flannery, Martin
Fookes, Miss Janet
Foot, Rt Hon Michael
Forman, Nigel
Forrester, John
Forsyth, Michael *(Stirling)*
Forsythe, Clifford *(S Antrim)*
Forth, Eric
Foster, Derek
Foulkes, George
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Freeson, Rt Hon Reginald
Galley, Roy
George, Bruce
Godman, Dr Norman
Gould, Bryan
Gow, Ian
Gower, Sir Raymond
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Ground, Patrick
Hamilton, Hon A. *(Epsom)*
Hamilton, James *(M'well N)*
Hamilton, Neil *(Tatton)*
Hardy, Peter
Hargreaves, Kenneth
Harris, David
Harrison, Rt Hon Walter
Haselhurst, Alan
Hawkins, Sir Paul *(SW N'folk)*
Hawksley, Warren
Hayes, J.
Haynes, Frank
Hayward, Robert
Healey, Rt Hon Denis
Heathcoat-Amory, David
Hickmet, Richard
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Sir Philip *(Gedling)*
Holland, Stuart *(Vauxhall)*
Holt, Richard
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howell, Rt Hon D. *(G'ldford)*
Hoyle, Douglas
Hubbard-Miles, Peter
Hughes, Robert *(Aberdeen N)*
Hughes, Sean *(Knowsley S)*
Hunt, David *(Wirral)*
Hunter, Andrew
Jackson, Robert
John, Brynmor
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Kaufman, Rt Hon Gerald
Kershaw, Sir Anthony
Key, Robert
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lang, Ian
Leadbitter, Ted
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Leighton, Ronald
Lennox-Boyd, Hon Mark
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lewis, Terence *(Worsley)*
Lightbown, David
Lilley, Peter
Litherland, Robert
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Lord, Michael
Loyden, Edward
Luce, Richard
McCartney, Hugh
McCurley, Mrs Anna
McDonald, Dr Oonagh
MacGregor, John
McKay, Allen *(Penistone)*
MacKay, John *(Argyll & Bute)*
McKelvey, William
MacKenzie, Rt Hon Gregor
McQuarrie, Albert
McTaggart, Robert
McWilliam, John
Madden, Max
Madel, David
Maginnis, Ken
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marshall, Michael *(Arundel)*
Martin, Michael
Mather, Carol
Maude, Hon Francis
Mawhinney, Dr Brian
Maxton, John
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Meacher, Michael
Mellor, David
Merchant, Piers
Millan, Rt Hon Bruce
Miller, Hal *(B'grove)*
Miller, Dr M. S. *(E Kilbride)*
Mills, Iain *(Meriden)*
Miscampbell, Norman
Mitchell, Austin *(G't Grimsby)*
Mitchell, David *(NW Hants)*
Moate, Roger
Molyneaux, Rt Hon James
Montgomery, Sir Fergus
Moore, John
Morris, Rt Hon A. *(W'shawe)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Neale, Gerrard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Nicholson, J.
Norris, Steven
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Oppenheim, Phillip
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Park, George
Parry, Robert
Patchett, Terry
Patten, Christopher *(Bath)*
Patten, J. *(Oxf W & Abdgn)*
Pavitt, Laurie
Pawsey, James
Peacock, Mrs Elizabeth
Pendry, Tom
Percival, Rt Hon Sir Ian
Pike, Peter
Pollock, Alexander
Portillo, Michael
Powell, Rt Hon J. E. *(S Down)*
Powell, Raymond *(Ogmore)*
Powell, William *(Corby)*
Powley, John
Radice, Giles
Randall, Stuart
Rathbone, Tim
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Roberts, Wyn *(Conwy)*
Robertson, George
Robinson, G. *(Coventry NW)*
Roe, Mrs Marion
Ross, Wm. *(Londonderry)*
Rowe, Andrew
Rowlands, Ted
Sedgemore, Brian
Shaw, Giles *(Pudsey)*
Sheldon, Rt Hon R.
Shersby, Michael
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Silkin, Rt Hon J.
Silvester, Fred
Skeet, T. H. H.
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Soley, Clive
Spearing, Nigel
Stokes, John
Stradling Thomas, J.
Strang, Gavin
Straw, Jack
Taylor, Rt Hon John David
Thompson, Donald *(Calder V)*
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Thurnham, Peter
Trippier, David
van Straubenzee, Sir W.
Waddington, David
Wakeham, Rt Hon John
Walker, Bill *(T'side N)*
Wall, Sir Patrick
Waller, Gary
Wiggin, Jerry
Wilkinson, John
Williams, Rt Hon A.
Winnick, David
Winterton, Mrs Ann
Winterton, Nicholas

Wood, Timothy
Woodall, Alec
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Tristan Garel-Jones and
Mr. Tim Sainsbury.

NOES

Alton, David
Ashdown, Paddy
Bruce, Malcolm
Carlile, Alexander *(Montg'y)*
Freud, Clement
Kennedy, Charles
Maclennan, Robert
Meadowcroft, Michael
Meyer, Sir Anthony
Steel, Rt Hon David
Wallace, James
Wigley, Dafydd
Wrigglesworth, Ian

Tellers for the Noes:
Sir Russell Johnston and
Mr. A. J. Beith.

Question accordingly agreed to.

Lords amendment disagreed to.

Lords amendment: No. 2, in page 2, line 4, leave out "resident outside" and insert "not resident in".

Mr. Mellor: I beg to move, That this House doth agree with the Lords in the said amendment.

Mr. Deputy Speaker (Mr. Harold Walker): With this it will be convenient to take amendments Nos. 8, 9, 10, 12 and 14.

Mr. Mellor: Tempting though it is, after my eloquence caused such a huge majority in that Division, to expand at length on this series of amendments, I shall content myself by confining my remarks to urging hon. Members to agree to the said amendment.

Question put and agreed to.

Lords amendments Nos. 3 to 6 disagreed to.

Lords amendment: No. 7, in page 2, line 21, at end insert—

"( ) The reference in subsection (1) above to a person being subject to a legal incapacity to vote on the qualifying date does not include a reference to his being below the age of 18 on that date."

Mr. Mellor: I beg to move, That this House doth agree with the Lords in the said amendment.

Mr. Deputy Speaker: With this it will be convenient to take Lords amendment No. 19.

Question put and agreed to.

Lords amendments Nos. 8 to 10 agreed to.

Lords amendment No. 11 disagreed to.

Lords amendment No. 12 agreed to.

Lords amendment No. 13 disagreed to.

Lords amendment No. 14 agreed to.

Lords amendments Nos. 15 to 18 disagreed to.

Lords amendments Nos. 19 to 43 agreed to.

Ordered,

That a Committee be appointed to draw up Reasons to be assigned to the Lords for disagreeing to certain of their amendments.—*[Mr. Mellor.]*

Motion made, and Question proposed, That Mr. Secretary Brittan, Mr. Robin Corbett, Mr. Gerald Kaufman, Mr. David Mellor and Mr. Tristan Garel-Jones, be Members of the Committee.—*[Mr. Mellor.]*

Mr. Beith: On a point of order, Mr. Deputy Speaker. Perhaps you will give me an opportunity to move an amendment to the motion. Lest it be thought that this is a two-party carve-up, I beg to move, as an amendment to the proposed motion, to leave out "Mr. Robin Corbett" and to insert "Mr. A. J. Beith".

Mr. Deputy Speaker: I am prepared to accept that motion.

Question, That the amendment be made, *put and negatived.*

Main Question put and agreed to.

Ordered,

That Mr. Secretary Brittan, Mr. Robin Corbett, Mr. Gerald Kaufman, Mr. David Mellor and Mr. Tristan Garel-Jones, be Members of the Committee.—*[Mr. Mellor.]*

Ordered,

That Three be the Quorum of the Committee. — *[Mr. Mellor.]*

Ordered,

That the Committee do withdraw immediately. — *[Mr. Mellor.]*

Reasons for disagreeing to certain of the Lords amendments reported, and agreed to; to be communicated to the Lords.

Brixworth School, Northamptonshire

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Durant.]*

11.51 pm

Mr. Roger Freeman (Kettering): After that most exhausting series of Questions which the Chair has put to the House, perhaps the remaining minutes of today's proceedings will be allowed some respite. I thank the Under-Secretary and my hon. Friend the Member for Wantage (Mr. Jackson) for attending the debate. I know that the hour is late, and the Minister's courtesy and interest in Brixworth school and the whole subject of capital expenditure allocations is much appreciated by myself and all my hon. Friends who represent constituencies in Northamptonshire. It is also appreciated by the local education authority.

This is a debate about capital expenditure, but I should like to refer to the comments of my right hon. Friend the Secretary of State today at Question Time about the teaching profession. To the best of my recollection, my right hon. Friend said that most teachers are effective and hard working and do an enormously difficult task. He also said that most teachers welcomed the new initiatives introduced in education. I associate myself with those remarks, which are most appropriate to the county of Northamptonshire and the teaching profession in my own constituency. Those teachers are doing a difficult job very well, and I commend the teaching profession for its dedication and hard work in all the schools in my constituency.

In Northamptonshire there are falling school rolls, especially in the secondary schools. It is also a county which has recently grown because of the new towns, the enterprise zones and the new estates in my own constituency such as Brixworth, Rothwell and Desborough. These dormitory towns serve the growing and expanding markets and industrial centres of the east midlands. Therefore, within a county that has falling school rolls, specific towns and villages are rapidly expanding. That is the problem to which I wish to allude, with specific reference to Brixworth.

If the A1-M1 link is built, as I hope it will be, that will only add to the growth of some towns and villages in central Northamptonshire, including some of the towns that I have mentioned. There is an inevitable strain on resources, which I accept are limited. Capital expenditure allocations are not infinite, and I support the Government's policy on the control of public expenditure.

In a county with falling school rolls, it is difficult to close part of a school, sell the assets and move them to the towns and villages where the population is growing and where the number of children entering infant and junior schools is increasing. We cannot move schools like building blocks. Therefore, scarce resources must be devoted to the most important cases of new school building or additions to existing schools. Havelock school in Desborough is in the same position as is Brixworth school, but for different reasons. I shall not develop arguments about Havelock school tonight, because I do not have enough time. There are many examples not only in my constituency but in all constituencies where scarce resources must be carefully devoted to the most pressing needs.

Brixworth has a population of about 3,400. It has an active parent-teacher association, and I pay tribute to Mr. Wilson, the current secretary of the PTA, to Mr. Leeming, the former PTA chairman, and to Mr. Woodcock, who is one of the governors. They have been most helpful to me, and I admire the spirit in the PTA and its attitude towards the school and the local education authority. It has always been most supportive and constructive, and I pledge its members and the PTAs in all the schools in my constituency that I shall work with them to the benefit of their schools and the benefit of their children.

Brixworth school, which caters for four to 11-year-olds, was built about 14 years ago to accommodate six classes and about 180 pupils. That number has grown to 390 pupils. Part of the increase is accounted for by the policy of the county council—I agree with the policy—to take into education the rising five-year-olds. Clearly, that has meant some pressure on resources that was not expected 14 years ago. A new block for five infant classes was built about three years ago. The school population is expected to increase to 400 in September, and the result of the rapid expansion has been three mobile classrooms. The important point that I wish to draw to my hon. Friend's attention is that, during the next four years, we expect the school population to increase to about 600. The rapid increase has been caused by the rapid development of the housing estate.

There are three solutions to the problem. The first is to have more mobile classrooms—something which I and the Minister would not wish to be a permanent solution to the problem, with all the shortcomings that mobile classrooms have. Secondly, we could build a new school in a different part of the village. Thirdly, we could add to the existing buildings, as was done three or four years ago. I cannot say what is the correct solution, because that is the job of the local education authority. I recognise its problems in controlling the allocation of scarce resources. Indeed, I pay tribute to Mr. Michael Hemley, the chief education officer of the local education authority in Northamptonshire, for doing a difficult job extremely well. It is not my job tonight to comment on whether there should be a new school, if resources are available, or an extension of the existing one.

I make three suggestions to my hon. Friend the Under-Secretary of State which I offer in a helpful and constructive way. They are based upon discussions with the parent-teacher association in Brixworth and the local education authority. The first concerns long-term planning. At present, central Government say to the local education authority, "We will give you a certain capital expenditure allocation only 12 months ahead." That is not a cash grant but permission to borrow. I should like the LEA to be given a three-year plan, perhaps with allocations in the second and third years as a declining proportion of the allocation in the first year. Incidentally, this system applies to the HIP allocation for district councils. To the best of my knowledge, this three-year planning horizon does not apply to the county council for school capital expenditure.

It would be a great advantage if the Treasury accepted this proposal. Admittedly, the suggestion would cramp its style a little, because it means that, looking out to year two and year three, there is less room for manoeuvre in controlling the level of capital expenditure in the counties. Nevertheless, the proposal would have two great advantages. It would enable the LEA to plan more sensibly

in terms of design and the order in which problems could be tackled. It would also enable the LEA to announce publicly to parents when their school was likely to be extended or a new school was likely to be built. That would give parents a great deal of comfort and would alleviate much concern—for example, at Brixworth.

My second suggestion concerns percentage limits. Under the present rules, district councils can spend in the current year only 20 per cent. of the proceeds from the sale of council houses, but county councils, being responsible for education, can spend 30 per cent. Obviously, the county councils can spend the other 70 per cent. in succeeding years. In Northamptonshire, the necessary capital expenditure plan is met from not only the approved allocation from central Government but what is called "virement" from the other departments—for example, if the transport department has spare capital allocation money that it does not need in the current year, it can give it or lend it to another department within the county council. That is one way in which Northamptonshire has been spending above the capital expenditure allocation to meet its plan.

I suggest that a threshold for each county council should be set and that we should say, "This is the target that we would like you to achieve in the sale of surplus land and assets. If you reach that threshold, you can spend only 30 per cent. in the current year but, if you do better than the absolute figure that we have given you, you can spend 100 per cent." I submit to my hon. Friend the Under-Secretary of State, although this is a matter not for him but for the Treasury, that such an arrangement would not increase the PSBR but would provide an incentive to the LEAs to sell more surplus land and assets. The LEAs would know that they could spend 100 per cent. of their surplus sales in the current year.

My third suggestion concerns the problem that Brixworth has encountered during the past few years. Perhaps this suggestion comes too late to benefit Brixworth, but it may benefit other towns and villages. I believe that we have to improve liaison between the housebuilders and planners and the LEA. How is it that in Brixworth the housebuilders built within two years an estate that was planned to be developed over 10 years? The local authority could have provided adequate buildings within that time, and avoided the present school places crisis.

If there were a requirement that the county structure plan should include a reference to education needs and a requirement for housebuilders and developers fully to consult the local education authority, we might avoid circumstances similar to those in Brixworth.

I again thank my hon. Friend for his kindness in attending the debate and I invite him, on behalf of my colleagues who represent Northamptonshire, to visit us again. We have much appreciated his past visits. When he comes again, I hope that he will visit Brixworth.

12.5 am

The Parliamentary Under-Secretary of State for Education and Science (Mr. Bob Dunn): I congratulate my hon. Friend the Member for Kettering (Mr. Freeman) on obtaining this Adjournment debate on the expansion of Brixworth school. I am pleased to be able to reply to him. I note his interesting suggestions, some of which, as he said, are not for decision by the Department of Education and Science.

My hon. Friend has spoken tonight about a matter which is of immediate interest in his constituency—the important matter of school provision when there is a growth of new housing in the area and the school population is likely to rise. This raises issues of national as well as local interest, since it relates to the Government's policies in relation to capital expenditure. In raising these issues my hon. Friend has demonstrated the active and diligent way in which he represents his constituents' interests.

My hon. Friend spoke about the position at Brixworth school. I shall come to that in a moment, but before I do so there are a number of relevant issues of national policy that need to be set out because they form the background to a full understanding of the local position.

Each year, local education authorities are invited to send to the Department details of their plans for capital expenditure in the following year. In aggregate, these plans inevitably exceed what the country can afford. We are therefore faced with having to decide between conflicting priorities when distributing the limited resources available for capital works. In doing so our priority has been to meet expenditure required for commitments on on-going projects which previous allocations have allowed for. This accounts for a large part of the resources available. We also take account of local education authorities' legal obligations to make sufficient provision for the children in their area. Where the area is one of population growth which leads to a demand for new places in an authority's schools, a high priority is given for a capital allocation to meet this demand, whether by building new schools or extensions to existing schools. In recent years we have always been able to meet local education authorities' bids for such projects. In addition, where authorities have published statutory proposals to remove surplus places, which have been approved by my right hon. Friend, and where these include a capital building project, which is related to the proposals, we have generally been able to provide a capital allocation so that the work can go ahead. This is to enable the authority to implement the proposals, which it has a legal duty to do.

Before the introduction in April 1981 of the present system for controlling local authority capital expenditure by means of annual prescribed expenditure allocations for each of the five service blocks—housing, transport, education, personal social services and other Government services—the Department operated a system of annual building programmes under which each local education authority received an allocation of the total value of building work that it could start in a given year. This allocation carried with it a borrowing approval, and local authority borrowing was controlled by this means rather than as now by control of expenditure.

Up to and including 1974-75, the allocation of building programme resources was by individual named projects based on DES consideration of annual LEA bids related to priority. A sum for minor works was added by the Department. This was an unnecessarily burdensome system, leaving LEAs with virtually no room for manoeuvre. With effect from 1975-76, in line with the then Government's desire to leave more decisions about the use of educational building programmes to LEAs, a three-stage rolling programme was reintroduced to promote the systematic processing of work, and authorities were given firm lump sum authorisations of starts based on their own priorities, leaving them free to start projects

[Mr. Bob Dunn]

which they thought essential. As I have said, this system, wherein a rolling programme gave a useful facility to authorities for forward planning, came to an end in 1981.

Since that time, under the arrangements introduced by the Local Government. Planning and Land Act 1980, LEAs have each year indicated to the Department the level of capital expenditure which they would wish to undertake. Priority in making the prescribed expenditure allocations within the resources available for schools is given, on the basis of the expected deficiency of places assessed by LEAs, to the need to provide additional school places in areas of population growth—that is, roofs over heads without which pupils would be out of school, and then to work for the removal of surplus places and other improvement and replacement projects. Once allocations are made, authorities are free to use them how they wish and can transfer between the service blocks at will if they decide to do so.

Clearly, under a system of expenditure control, it is for an authority to determine its own priorities and to formulate its capital programmes, and in doing so it could well quite reasonably adopt a system of rolling programmes if it wished to do so. Indeed, we are aware that many authorities already have such a system, which enables them to plan ahead in a sensible and logical way, with sufficient flexibility to cope with unexpected eventualities. Given that the Department no longer manages a building programme, we must rely on local authorities, which are, after all, better placed, to assess their needs and priorities and, within the resources available to them, to establish the best and most efficient way of managing their capital programmes.

As regards the disposal of surplus assets, it is our policy to encourage local authorities to identify these and, where no alternative educational or community use can be found for them, to sell them wherever possible. Authorities are well aware of the benefits, both educational and financial, to be obtained from seeking to rationalise their educational provision and the removal of surplus places and realising assets found to be surplus. Since 1982-83 we have positively helped in this direction by providing in the prescribed expenditure allocations the capital resources for building work necessary to release surplus schools for closure and disposal.

There is no doubt that the sale of education assets has been increasing over recent years. In 1980-81 receipts from such sales were £23 million. They rose to around £46 million in each of the years 1981-82 to 1983-84, and, on the basis of local authority returns to the Department of the Environment, are expected to be around £80 million in 1984-85. This increase is in line with the higher number of schools approved for closure by my right hon. Friend in each of the years since 1980.

The system of capital expenditure control allows authorities to increase the limit of their capital spending in any given year by a proportion of their actual capital receipts. This proportion, prescribed by regulation, is currently 30 per cent. for non-housing receipts, including those realised from the sale of surplus school and other educational buildings and land. It is very much in the interests of authorities to rationalise their school provision at a time of falling school rolls. Such rationalisation schemes result in better deployment of teachers and improved educational provision for the pupils concerned. At the same time, where whole schools or parts of them can be closed, there are valuable savings on recurrent expenditure to be achieved in addition to the capital receipt from the sale of redundant buildings and land.

The prescribed proportions of capital receipts were reduced for 1985-86 in order to restrict authorities' access to their accumulated receipts. These are estimated to be about £5 billion in total and unrestricted access to them posed a serious threat to the national cash limit for local authority capital expenditure set by the Government. Nevertheless, the more capital receipts an authority can generate in a particular year, the further it can increase its spending power in that year. Furthermore, an authority is under no restriction on the use of its capital receipts for non-prescribed expenditure and for redeeming outstanding loans with benefits in terms of reduced debt charges, which will be a further saving in recurrent expenditure. These are very real advantages which provide a worthwhile incentive to the realisation of surplus assets.

Turning at last to the question of Brixworth school, I understand that Northamptonshire LEA has indicated that there may be a deficiency of 200 primary school places in the area by 1988-89. I have to tell my hon. Friend that very shortly the Department will be asking LEAs for details of their plans for capital expenditure in the next few years. Provided that Northamptonshire can satisfy us that a capital project is necessary to cater for that additional demand, and that it meets the parameters that I mentioned earlier, I can assure my hon. Friend that it will receive careful consideration. He will realise, and I know that he will appreciate, that I cannot give him any assurances at this stage. What we are able to allocate to individual LEAs will depend upon the amount which is available to us nationally, and this in turn, will depend on what the country can afford.

I conclude as I began, by congratulating my hon. Friend on firmly placing before the House the interests and needs of his constituents.

Question put and agreed to.

Adjourned accordingly at eighteen minutes past Twelve o'clock.

House of Commons

Wednesday 26 June 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

FOREIGN AND COMMONWEALTH AFFAIRS

Spain and Gibraltar

1. **Mr. John Mark Taylor** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement regarding frontier co-operation between Spain and Gibraltar.

The Secretary of State for Foreign and Commonwealth Affairs (Sir Geoffrey Howe): During my visit to Gibraltar on 7 and 8 June I was pleased to learn at first hand of the excellent co-operation which exists between the Spanish and Gibraltar authorities at the border between Spain and Gibraltar.

Mr. Taylor: I thank my right hon. and learned Friend for that helpful reply. Can he assure me that the arrangements are working mutually beneficially for the Spanish and Gibraltarian people? Does he agree that we continue to have a special responsibility for the people of Gibraltar, for their economy and welfare and to ensure their satisfaction with the arrangements?

Sir Geoffrey Howe: I am glad to reconfirm to my hon. Friend that we undoubtedly have a responsibility for the future of Gibraltar. During my time there I frequently repeated the commitment contained in the preamble to the 1969 constitution. The arrangements for the border are working well. Since 5 February there have been over 1 million visitors each way, including many vehicles. That is about four times higher, without vehicles, than the number of visitors before the border was opened. The arrangements are providing a good foundation for growing economic co-operation and future prosperity in the region, including on the Spanish side of the border.

Dr. Glyn: Is my right hon. Friend aware that, although we appreciate the good and improving relations that will result from the visit by His Majesty the King of Spain to Britain, we still recognise our obligations to our own people in Gibraltar?

Sir Geoffrey Howe: I can only repeat what I have just said. I endorse what my hon. Friend said about the importance of improving the excellent relations between ourselves and Spain and about our continuing commitment to the people of Gibraltar.

Dooge Committee

2. **Mr. Deakins** asked the Secretary of State for Foreign and Commonwealth Affairs when the Dooge committee report will next be considered by the European Economic Community Council of Ministers.

The Minister of State, Foreign and Commonwealth Office (Mr. Malcolm Rifkind): The future development of the Community will be discussed at the Milan European Council on 28 and 29 June.

Mr. Deakins: Will the Minister assure the House that the Prime Minister will this weekend stand firm on the three important reservations, to which the Minister himself subscribed, to the Dooge committee report? Will the Prime Minister maintain the Minister's position and report back to the House next week?

Mr. Rifkind: The reservations which I entered in the report by the Dooge committee represented, and continue to represent, the policies of Her Majesty's Government.

Mr. Malone: Does my hon. Friend agree that, following the enlargement of the Community, the section of the Dooge committee report which deals with easier decision-making by the Council takes on a particular significance if progress is to be made? Will my hon. Friend confirm that his suggestion that if there is any difference of opinion within the Council it must be defined at an early date will go a long way towards reconciling differences between the preservation of national interest and making progress within the Community?

Mr. Rifkind: Yes. We believe that the enlargement of the Community to 12 will make the existing procedures more unlikely to be capable of reaching early agreement on matters of importance. Therefore, we believe that there should be more majority voting, as long as the right of a member state to invoke the national interest provisions remains in a form which, while not being capable of abuse, protects national interest.

Sir Russell Johnston: Is the Minister aware that the formula is vague? Will he confirm my impression of Dooge that the Government would oppose an inter-governmental conference following Milan? Does he accept that many of us would regret such opposition, and can he explain it?

Mr. Rifkind: The best inter-governmental conference is that of Heads of State. We hope that at Milan the Heads of State—I should say Heads of Government—will be assembled and will be able to agree a package of proposals which, apart from anything else, will make any other conference worthless. We see no need for the procedural device of an inter-governmental conference. We hope that the agreements reached at Milan will be sufficient for the progress that we all wish to see in the Community.

Mr. George Robertson: It appears from the well organised press coverage that the Milan summit will be dominated by the bright ideas coming from the Foreign Office, especially in the guise of the Foreign Secretary. Why have these allegedly bright ideas not been available to right hon. and hon. Members, certainly up until yesterday? The Foreign Secretary would not answer this question last night. When will we be told what the Foreign Secretary and the Prime Minister will propose at next week's summit at Milan?

Mr. Rifkind: First, I must thank the hon. Gentleman for his compliment to the Government and for his correct assessment of the Government's important and constructive role. He asked when he and his hon. Friends would be made aware of the Government's views on the Milan discussions. The Government's proposals were outlined at some length in the debate on the European Community which I opened last week and to which he replied.

Later——

Mr. George Robertson: On a point of order, Mr. Speaker. You will have heard the exchange at Question Time when I asked the Minister of State about documents which were tabled last week by the British Government at the Foreign Minister's Council at Stresa, and which are to form part of the agenda for the Heads of Government summit in Milan this Friday. The Minister of State told the House that he mentioned the ideas that will be proposed in a debate in the House last Thursday. However, there are two documents related to this issue, one of which is called "The Draft European Council Conclusions: Decision-Taking" and the other "The Draft Agreement on Political Co-operation", which has two annexes. Those documents form a vital basis for what is being proposed at the Heads of Government summit later this week. They have been extensively used in press briefings in the Sunday and Monday newspapers throughout the country, yet they have not been made available in any form to hon. Members. They have not been deposited in the Vote Office and, until a few minutes ago, they were not in the Library.

Surely hon. Members cannot possibly assess what the British Government's position is to be at this vital summit of Heads of Government unless we, the representatives of the British people, know what the Government will propose in our name. Surely it is to treat the House with grave disrespect, if not contempt, to deny us the final proposals of this country at this vital summit meeting. Can you do something to protect hon. Members from the cavalier way in which the Foreign Office has treated us?

Mr. Speaker: Order. No point of order arises from that because, as the hon. Gentleman knows, it is in order for Ministers to refer to documents. However, if they quote from documents, the documents must be laid on the Table. The hon. Gentleman has done what is necessary by making the position clear.

Cyprus

3. **Mr. Ray Powell** asked the Secretary of State for Foreign and Commonwealth Affairs what recent talks he has had about the reunification of Cyprus.

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Tim Renton): We keep in close and frequent touch with the United Nations Secretary-General and the parties concerned with a view to assisting progress towards a settlement in Cyprus.

Mr. Powell: Will the Minister make a declaration that he will do something about the re-unification of Cyprus? An assembly has been established in the occupied section, but is it not time that something was done to alleviate the 11 years of suffering of those who have been exiled from their area of Cyprus? Is it not time that the Government took a different line and implemented different action to put more pressure on the United Nations to ensure that the troops are withdrawn from the occupied section so that people can return to their homes, land and country?

Mr. Renton: I must emphasise that we have never recognised the Turkish republic of northern Cyprus. We do not recognise any of the so-called constitutional developments that have taken place in recent weeks. I hope that the way is now clear for the Secretary-General of the United Nations to resume his initiative, which we have supported strongly in recent months. It will be necessary for all sides to show some degree of flexibility for the initiative to succeed.

Mr. David Atkinson: If talks on re-unification do not succeed, do not the people of northern Cyprus have an ultimate right to self-determination, which we should recognise?

Mr. Renton: Our aim is to achieve a unified, federal and prosperous Cyprus. That is also the aim of the Secretary-General. I think that both sides should show some degree of flexibility to enable the Secretary-General to get under way with his initiative.

Mr. Haynes: When discussions have taken place, have the 1,600 missing persons featured in them? Is the Minister aware that 1,600 Greek Cypriots are missing from their families and loved ones, and what do the Government intend to do about it?

Mr. Renton: There have been frequent discussions in recent months between my right hon. and learned Friend the Foreign Secretary and the Prime Minister, both with President Kyprianou and the Turkish Foreign Minister. Most recently, my right hon. and learned Friend met the Turkish Foreign Minister during the North Atlantic Council meeting in Lisbon on 6 June. The main purpose of the discussions was to press on both sides the need to move towards a solution in Cyprus that would bring about a united island. If the hon. Gentleman would like to raise particular issues about the missing Greek Cypriots, perhaps he will write to me about them. If he does so, I shall see that they are pursued.

Mr. Cartwright: Does the hon. Gentleman accept that a continuation of the present uneasy stalemate in Cyprus is in no one's interest? Therefore, will he go on using every possible endeavour to get both sides to accept the United Nations initiative to get negotiations going again so that we may have some progress in this matter?

Mr. Renton: Yes, I wholeheartedly agree, and the Secretary-General earlier this year created an important opening. It is up to all sides to see that that opening is made use of.

Mr. Nelson Mandela

4. **Mr. Fisher** asked the Secretary of State for Foreign and Commonwealth Affairs what representations Her Majesty's Government have received on the continuing imprisonment of Nelson Mandela in South Africa; and what has been the response of those representations.

Mr. Rifkind: We receive many representations, from individuals and organisations, in accord with our view that Nelson Mandela should be released immediately and unconditionally. We shall continue to press for this.

Mr. Fisher: Do those representations include the petition presented to the Prime Minister two weeks ago by

45 lord mayors and lord provosts, including the Lord Mayor of Stoke-on-Trent, Councillor John Birkin? They will no doubt be delighted to hear that the Government will continue their support for Mr. Mandela's release, but would be more cheered if the Government would take some action. Will the Foreign Secretary raise this issue at Milan and consider a joint initiative with European, EC and Commonwealth Heads of State to put some pressure on the South African Government?

Mr. Rifkind: I can confirm that the representations received include representations from local authorities, including those from the specific individual about whom the hon. Gentleman is so concerned. As to action by Her Majesty's Government, I remind the hon. Gentleman that my right hon. Friend the Prime Minister raised this issue with Mr. P. W. Botha when he was in the United Kingdom last year.

Mr. Ian Lloyd: Have not the South African Government made it clear that they are prepared to release Nelson Mandela on condition that he renounces terrorism and violence? Is there to be a distinction so that some are to be allowed legitimately to pursue terrorism and violence as long as it is against South Africa? I remind my hon. Friend that South Africa is one of the 13 of the founder members of the League of Nations whose Governments have not been changed by force since the first world war.

Mr. Rifkind: Bearing in mind that Nelson Mandela has been in prison but was never convicted of any personal act of violence, and that it is somewhat unusual, to say the least, to impose conditions on the release of persons in prison, either in South Africa or any other country, neither I nor Her Majesty's Government believe that it is appropriate to require statements from Mr. Mandela before he is released.

Mr. Winnick: Is it not unfortunate that there are Conservative Back Benchers who are far more concerned to see Hess released from prison than Nelson Mandela, who all his life fought against the principles on which Hess was convicted at Nuremberg? Is the Minister aware that we require from this Government and the United Nations, not simply words but determined action and pressure on the South African authorities, to ensure that Nelson Mandela, after 20 years of imprisonment, is allowed, without any conditions, to be released and to become a free man again?

Mr. Rifkind: I have already said that Her Majesty's Government shared the view expressed in the hon. Gentleman's latter question. As to his first question, that is a most unworthy comparison, which is both irrelevant to the questions under consideration and also, I am afraid to say, rather typical of the hon. Gentleman.

Mr. Thornton: Did my hon. Friend have the opportunity to read the leader in *The Times* on Monday? Does he agree with its assertions that terrorism can never be given a political legitimacy no matter where it occurs, and that terrorism against civilian targets must never be justified? Is it not the refusal of Mr. Nelson Mandela to repudiate such acts of violence that means his continued imprisonment?

Mr. Rifkind: While I entirely agree that it would be inappropriate for the Government to have formal contact with an organisation that is committed to acts of violence of the kind described, given the very lengthy period that Mr. Mandela has already spent in prison I do not believe that further conditions need to be imposed before he is released. All those who are seeking a peaceful solution to the problems of South Africa ought to believe that Mr. Mandela's release might help in that direction, and might also help to persuade the ANC as an organisation to renounce the road of violence as a means of achieving political change.

Mr. Anderson: Why do the Government not meet leaders of the ANC, who are denied any political role in their own country? While the IRA can fight elections if it wants, the ANC cannot, because it is excluded from national franchise. Is it not impertinent and unrealistic of President Botha to impose the pre-condition of disavowal of violence, when the South African authorities constantly carry out acts of violence against the black majority? Will the Government now press South Africa to allow Mrs. Winnie Mandela to leave her own country next month to attend the women's conference in Nairobi?

Mr. Rifkind: Of course we hope that Mrs. Mandela will be free to leave South Africa if she wishes, and we hope that the South African Government will act in a responsible and constructive way to any such request. As to the hon. Gentleman's general points, there is nothing I can add to the comments that I have already made.

Mr. Anatoly Shcharansky

6. **Mr. Alex Carlile** asked the Secretary of State for Foreign and Commonwealth Affairs what recent representations Her Majesty's Government have made to the Soviet Union for the release of Anatoly Shcharansky.

Mr. Rifkind: My right hon. Friend the Prime Minister raised the case of Anatoly Shcharansky with Mr. Gorbachev last December. Most recently Mr. Shcharansky's case was among those raised by our delegation to the conference on security and co-operation in Europe experts meeting on human rights in Ottawa.

Mr. Carlile: I congratulate the Government on raising Mr. Shcharansky's case at a very high level, but does the hon. Gentleman feel that there is any thaw in the Soviet attitude towards dissidents and individual liberty? If not, what further steps beyond representation do the British Government propose to take to ensure that such a thaw occurs?

Mr. Rifkind: I regret to say that it is very difficult to discern any significant evidence of any change in attitudes by the Soviet authorities towards dissidents or questions involving human rights since Mr. Gorbachev's accession to power. Naturally, we hope that that situation will change, and we shall lose no opportunity to impress upon the Soviet Union that if, like us, it wishes to see an improvement in East-West relations, an improvement in human rights would make an enormous contribution towards the realisation of that objective as well as being in accordance with the Soviet Union's obligations under the Helsinki final act.

Mr. Latham: I thank my hon. Friend for his own strong commitment to this cause and for the heavy pressure that he has placed on the Soviet Government in an attempt to do something about it, but is he aware that, rather than getting better, things are getting worse? We must take every possible opportunity to press the cause not only of

Shcharansky and other dissidents and refuseniks but of Soviet Jewry and other Soviet citizens who want the right to emigrate from that country.

Mr. Rifkind: I am grateful to my hon. Friend for his personal comments. We sought to use the recent Ottawa meeting to pursue the exact objectives to which my hon. Friend has referred. Next month is the 10th anniversary of the Helsinki final act, and therefore it is an appropriate time to remind the Soviet authorities of the explicit commitments which they undertook to honour at that time, but which, sadly, they have failed to do.

Mr. Janner: Is the Minister aware that the annual award of the all-party parliamentary committee for the release of Soviety Jewry went to Anatoly Shcharansky in a previous year and is this year to be awarded to Professor Alexander Lerner? Will my hon. Friend please emphasise to the Soviet authorities the importance to all hon. Members of respect for the rights of people accorded by the universal declaration of human rights and the Soviet Union's own constitution, so that people may leave that country in accordance with international law in a way that they are not permitted to do at present?

Mr. Rifkind: It was very appropriate that that award was made to Mr. Shcharansky, who, after all, was a member of the original Helsinki monitoring group in the Soviet Union. The fact that that monitoring group was persecuted by the Soviet authorities shows, I regret to say, how cynical is their attitude towards the obligations into which they have entered.

Mr. Holt: While it is understandable that hon. Members should raise in the House the question of Anatoly Shcharansky and Nelson Mandela, both of whom have been found guilty of crimes in their own countries by their own Governments, what are Her Majesty's Government doing about Graham Coveyduck, a British citizen incarcerated without trial in Nigeria?

Mr. Speaker: Order. That does not arise on this question.

Mr. Holt: A good try, Mr. Speaker?

Mr. Speaker: Not bad.

Rev. Martin Smyth: Is the Minister aware that there would be more hope for the release of people such as Anatoly Shcharansky if the Soviet authorities allowed Russian brides out of the country to join their husbands who are working in the United Kingdom? Does he agree that that aspect should also be pressed on the Soviet authorities?

Mr. Rifkind: The hon. Gentleman is correct to emphasise that that, too, was an undertaking which was entered into at the time of the Helsinki final act and which has not been properly honoured. Her Majesty's Government do all that is required of them in terms of their obligations to their citizens to try to ensure that anyone detained without trial is released at the earliest opportunity.

Namibia

8. **Mr. Madden** asked the Secretary of State for Foreign and Commonwealth Affairs what representations have been made to the South African Government following their decision unilaterally to establish a transitional Government in Namibia.

Sir Geoffrey Howe: We told the South African Government, both privately before their announcement and in a public statement following it, that we regarded the establishment of an interim Administration in Namibia as null and void. We have taken every opportunity to remind South Africa of its international obligation to implement Security Council resolution 435.

Mr. Madden: Is the right hon. and learned Gentleman concerned about the fact that the British Government's present posture on Namibia is causing Britain to become isolated in the Commonwealth and among much of the international community? Will he make it clear at forthcoming meetings of the United Nations Security Council that Britain will not automatically oppose the imposition of sanctions on South Africa? Will he also make it clear that Conservative Members who saw fit to attend the inauguration of the puppet Government recently were not there with the support or, indeed, silent blessing of the British Government?

Sir Geoffrey Howe: The answer to the last part of that supplementary question is that I fancy that some of my colleagues who attended that occasion are not in the habit of seeking the blessing of Her Majesty's Government, silent or otherwise, and seem able to speak and act for themselves. I have already answered the earlier part of the hon. Gentleman's supplementary question about Her Majesty's Government's position. I must also make it clear that we do not believe that an advance in the direction on which the whole House is agreed — namely, the implementation of resolution 435 — would be most effectively secured by the imposition of economic sanctions. However, it is, of course, important to maintain pressure in the most effective way that we possibly can.

Mr. Amery: What progress is being made towards securing the withdrawal of Cuban forces from Angola, which is a necessary precondition for the fulfilment of the United Nations plan for Namibia?

Hon. Members: No.

Sir Geoffrey Howe: As Opposition Members are pointing out, the withdrawal of Cuban forces does not form any part of resolution 435, as my right hon. Friend knows. Nor do we recognise it as a precondition for a settlement. The South Africans have made it clear that they will not agree to the implementation of resolution 435 unless a way of implementing the withdrawal of Cuban forces is found. It is to that end that the United States-led negotiations have been and continue to be directed—not helped by the recent incident, which we all deplored, at Cabinda.

Mr. Tom Clarke: Has the right hon. and learned Gentleman taken the opportunity to express to the South Africans the disgust of the House about their behaviour of late and particularly about their invasion of Botswana and the terrorism that followed, which represented an affront to all decent standards of behaviour?

Sir Geoffrey Howe: As was made plain at the time, we stongly condemned the blatant violation of Botswana's sovereignty that was involved in that affair. We deplored and deeply regretted the loss of life involved, and I summoned the South African ambassador immediately to see me and made clear the serious view that we took of that attack.

Mr. Nicholas Winterton: Why are the British Government not prepared to support an interim Government of national unity, representative of all the major political parties in Namibia, which are united in their determination to remove all vestiges of apartheid? Why are the Government not prepared to support them, as this in no way undermines the determination of that interim Government ultimately to hold elections under international supervision?

Sir Geoffrey Howe: The answer is basically because the so-called interim Administration has no standing under the plan endorsed by United Nations resolution 435. The plan was accepted by the South African Government. We have made our view entirely clear to South Africa. Previous internal arrangements in Namibia have not proved of lasting significance.

Mr. Robert Hughes: When the Foreign Secretary this afternoon meets the President of SWAPO, Mr. Sam Nujoma, will he tell him two things? First, will he tell him that the Government do not have unlimited patience with South Africa and will not allow it to flout the wishes of the vast majority of countries in preventing resolution 435 from being passed? Secondly, will the right hon. and learned Gentleman try to explain to Mr. Sam Nujoma what the purpose is of having a transitional Government in Namibia if it is not to thwart resolution 435?

Sir Geoffrey Howe: Although I am prepared to try to explain many things, it is not for me to explain the answer to the last question that the hon. Gentleman raised. This is a matter for those who are responsible for that action. I shall certainly make plain to Mr. Nujoma the importance that we attach to securing progress on resolution 435, and will leave him in no doubt about that.

Mr. Robert Banks: Will my right hon. and learned Friend consider whether there could be an alternative to United Nations resolution 435 by bringing together all political parties in Namibia, and SWAPO, to agree on a constitution and a formula for holding elections? Given that the transitional Government obtain the essential reforms that are necessary to that country and the credibility that goes with them, will my right hon. and learned Friend consider whether support at that stage will be relevant to Namibia's obtaining independence through those means?

Sir Geoffrey Howe: One starts from the universal importance attached even by the South African Government to resolution 435. Of course, one does not exclude the possibility of some means of help of the type that my hon. Friend has described. If SWAPO were involved in such talks and if those talks led to conclusions that would assist in the implementation of resolution 435, one would not exclude that possibility.

Sir Russell Johnston: I refer to the meeting which the Foreign Secretary will have with Sam Nujoma, to which the hon. Member for Aberdeen, North (Mr. Hughes) referred. My impression from conversations this morning with Mr. Nujoma is that, while he recognises the positive nature of the statements which the Government have made — they were repeated today by the right hon. and learned Gentleman—about Namibia and the status of a transitional Government, he has the impression that neither the British Government nor the contact group have any practical proposals which are likely to have any effect on South Africa. How will the right hon. and learned Gentleman respond to that question?

Sir Geoffrey Howe: One has to recognise — *[Interruption.]* I am sure that the House would like me to welcome the right hon. Member for Leeds, East (Mr. Healey) at this late stage in the afternoon. In answer to the question from which we have been diverted, the role that we can play is to identify the objective, which is resolution 435, and to recognise that the United States-led negotiations, for all the patience that they require, represent probably the most effective route towards making headway in that direction. We give our support to that and to any other measure which is likely to be effective and which does not cut across that process.

Mr. Anderson: Is it not becoming just a little comical to see the number of times that the South African ambassador is called in for a ticking-off or a mauling from the Foreign Secretary, whatever the gravity of South Africa's actions? Even the Americans, for example, withdrew their ambassador over the Gabarone incident. Let me not say that the hon. Member for Macclesfield (Mr. Winterton) can add respectability to anything, but does not the Foreign Office believe that the visit on 17 June of those Conservative Back Benchers to the inauguration of the new interim Government was unhelpful and is to be condemned?

Mr. Nicholas Winterton: Certainly not.

Sir Geoffrey Howe: I hear my hon. Friend the Member for Macclesfield (Mr. Winterton) expressing his view in his own characteristic fashion. So far as we are concerned, we have made our view quite clear that the establishment of that interim Administration is null and void, and we have nothing to add to that. Of course, it is necessary for us to make our position clear to the South African ambassador as we have done not just in relation to the Gabarone incident but also to the Cabinda incident. The hon. Gentleman points to the fact that the Americans have withdrawn their ambassador for consultations. It is our view that it is not helpful, if we are trying to get our views across to the South African Government, for us to take that step. Each country takes its own view.

Helsinki Final Act

9. **Mr. David Atkinson** asked the Secretary of State for Foreign and Commonwealth Affairs if there are any plans to republish the Helsinki Final Act in all signatory states on the occasion of its 10th anniversary.

The Minister of State, Foreign and Commonwealth Office (Mr. Richard Luce): The Helsinki Final Act and Madrid concluding document are already widely available in the United Kingdom and in other Western countries. Republication of the Final Act in all signatory states to mark the 10th anniversary of the Council on Security and Co-operation in Europe process would require unanimous agreement among the 35 signatories, which at present does not exist.

Mr. Atkinson: Does my hon. Friend agree that the failure of the human rights conference in Ottawa this month to agree indicates the most urgent necessity to revitalise the Helsinki process? Does not the 10th anniversary of the signing of the Act present a new

opportunity for the citizens of each signatory state to be aware of the Act's provisions? Can he therefore confirm that it is Western states which are preventing the publication in all the signatory states of the Act, on the ground of cost?

Mr. Luce: First, I know the long-standing interest that my hon. Friend has taken in the implementation of the Helsinki Final Act. Let me make it quite plain that it is the Eastern bloc which has refused to consider the republication of the Final Act, not the West, and it requires unanimous agreement to achieve that. Of course, documents on the Final Act are fully available in the West. I wish they were more fully available in the East. Her Majesty's Government's commitment to the Helsinki Final Act is very strong. We would like to see a renewed sense of commitment on the part of all the members. Indeed, I should add that my right hon. and learned Friend the Foreign Secretary will be representing the British Government at the 10th anniversary of the Helsinki Final Act.

Mr. James Lamond: Is it not misleading to suggest that the Helsinki Final Act is freely available in the West when the British Government, for example, in response to the signed agreement to publish it widely, thought that 5,800 copies were sufficient to cover the 55 million people in this country, that is, one copy per 10,000 citizens? There are only 300 copies left in stock, while the Helsinki Final Act was published in full in many millions of copies in the Eastern bloc countries.

Mr. Luce: The regrettable thing is that the copies of the Final Act are not adequately available in the Eastern bloc. I assure the hon. Gentleman that adequate supplies of the Helsinki Final Act are available in this country through various sources.

Sir Bernard Braine: Does my hon. Friend agree that it is not republication of the Helsinki Final Act that is required, but implementation? Is it not time for the West, and for the United Kingdom Government in particular, to get much tougher? Should we not publish a list of all the named prisoners of conscience suffering in Soviet gaols or in the gaols of the satellite countries so that there oppressors know that we have not forgotten them?

Mr. Luce: I think that my right hon. Friend, who has taken a constant and prolonged interest in the question of human rights and in the Final Act, has put his finger on it. The matter that I am sure concerns everybody in the House and outside it is the implementation of that Final Act. There has not been satisfactory progress, and there have been six weeks of discussion in Ottawa in which we as a Government have been able to focus attention upon the very issues that my right hon. Friend has raised. But there must be a renewed sense of vigour in which the British Government can play a leading part.

Dr. M. S. Miller: Does the hon. Gentleman agree that it is more likely that the Soviet Union would implement the Final Act if the Western Allies were not so exhuberant in giving the impression that the Soviet Union is the source of all the evil in the world?

Mr. Luce: It would be wrong to say that the Soviet Union is the source of all the evil in the world, but we have been discussing very fully this afternoon the deep concern felt by all parties about the lack of real respect for the rights of the individual in the Soviet Union. A large number of cases have been drawn to our attention and it is only right that the Government should be vigorous about pursuing these issues under the procedures of the Final Act.

Spain and Gibraltar

10. **Mr. Stanbrook** asked the Secretary of State for Foreign and Commonwealth Affairs what restrictions imposed by the Spanish Government on access to Gibraltar by land, air and sea, respectively, in 1967 have been removed following his recent discussions with the Spanish Foreign Minister, and which remain.

Mr. Renton: The then Spanish Government imposed a series of restrictions on land, sea and air movements between Spain and Gibraltar over a period of several years, culminating in the complete closure of the border in 1969. Subsequently, some of these restrictions were eased until, on 5 February 1985, all abnormal obstacles to land, sea and civil air traffic were lifted. The flight path for military aircraft, however, remains subject to limitations, about which we are in discussion with the Spanish authorities.

Mr. Stanbrook: In view of the rosy picture painted earlier this afternoon by the Foreign Secretary of the state of British-Spanish relations, what possible legitimate reason can Spain have for continuing to impose restrictions on British aircraft wishing to use the Gibraltar airfield? Is not Spanish policy inconsistent with her obligations under the terms of the NATO treaty? As Spain is a candidate member of the European Community, will my hon. Friend arrange for her to be told that her policy is unacceptable and unfriendly?

Mr. Renton: I agree with my hon. Friend that we have a strong interest in developing further the civil use of the Gibraltar airfield on a mutually beneficial basis. On his point about NATO, Spain is not a full member of NATO in the sense of participating in the military arrangements of the Alliance. However, I can assure my hon. Friend that we have made our position about the movement of aircraft very well known to the Spanish authorities.

Mr. Andrew MacKay: Does my hon. Friend agree that one of the most serious actions taken in 1967 by the Spanish was the cancellationof the extradition treaty? Can he say what progress is being made to reimplement the treaty?

Mr. Renton: Considerable progress is being made over the extradition treaty between Spain and the United Kingdom. We hope that it can shortly be finalised.

Cuba

11. **Mr. Temple-Morris** asked the Secretary of State for Foreign and Commonwealth Affairs if he or other Foreign Office Ministers have any plans to seek to visit Cuba.

Mr. Renton: There are no plans at present for a ministerial visit to Cuba.

Mr. Temple-Morris: Will my hon. Friend confirm that there has been no ministerial visit of any kind, Foreign Office or otherwise, to Cuba since 1975, and does he agree that such a visit now would do a power of good? On his attitude to such a visit, will he assure the House that he will not be swayed one way or another by anything that is said in Washington?

Mr. Renton: Following his visit to Cuba in January of this year, I understand my hon. Friend's interest in this matter. It is not a question of being swayed one way or another by Washington. Commercial relations between the United Kingdom and Cuba are developing well, but we have been unable to make plans for a visit within the heavy schedule of ministerial visits. However, this will be kept under review.

Mr. Foulkes: Surely this is an important area to visit. Is not Britain being left behind by events in Central America? Cuba is building up strong links with all the Latin American countries, including the new democracies. Is the Under-Secretary of State aware of the Cuban proposal that Western Governments should take over from the banks responsibility for external debt, amounting to £360 billion in the case of Latin America? Since British banks have a large involvement, what is the British Government's response and what action are the British Government taking?

Mr. Renton: This question has nothing to do with taking over the debt responsibilities of Latin American countries. The hon. Gentleman is mistaken if he does not believe that there has been an improvement in our relations with Cuba. Last year our exports to Cuba greatly increased and Cuba is now Britain's fifth largest export market in Latin America. However, as I said, we are not at the moment considering a ministerial visit.

Turkish Peace Association

13. **Mr. Wallace** asked the Secretary of State for Foreign and Commonwealth Affairs what representations Her Majesty's Government have made to the Turkish Government regarding the prosecution of members of the Turkish Peace Association.

Sir Geoffrey Howe: We have been in close touch with the Turkish authorities about a range of human rights issues, including the Turkish Peace Association trials. They can be in no doubt about our opinions. I spoke personally to the Turkish Foreign Minister on these issues when I met him in Lisbon on 6 June.

Mr. Wallace: I am very grateful to the Secretary of State for his answer and for the continuing attention which he is obviously giving to this important matter. Quite apart from representations on the specific issue of the Turkish Peace Association prisoners, what pressure does the Secretary of State believe can be brought to bear on Turkey, which, after all, is a NATO ally, to try to change its ways regarding the serious limitations on personal freedom, which many people in this country would consider inconsistent with the type of free society which NATO is supposed to be defending?

Sir Geoffrey Howe: I think that the measures that can be taken include, beyond exhortations of the kind that the hon. Member has just indulged in, encouragement and acknowledgement of progress when it has been made. It is important to note that not only have there been the national elections in 1983 and the local government elections in March 1984, but there has been a steady reduction in the number of areas subject to martial law. When I visited Turkey in February of this year about half the provinces were still subject to martial law. Since then, 17 provinces have been freed from that. It is important, therefore, not only to bring matters to the attention of the Turkish Government, but to acknowledge progress when it is made.

Mr. Forth: Is there any limit to the extent to which her Majesty's Government might seek to interfere and intervene in the internal affairs and judicial systems of other countries? What would my right hon. and learned Friend's reaction be were the Head of Government of the Soviet Union, South Africa or Turkey to approach him with representations on what we should do about our judicial system?

Sir Geoffrey Howe: My hon. Friend is not as perceptive as he customarily is. He must acknowledge that questions of this kind are a matter of natural discussion between, for example, fellow members of the North Atlantic Alliance or of the Council of Europe. Indeed, progress by Turkey towards securing fuller recognition of its position in the Council of Europe is one of the matters that Turkey understands and discusses with us. In that context, we welcome the changes that I have described. We welcome, for example, the transformation from a scene in which there were 20 political killings a day—which was the situation that the Turkish Government had to grapple with—to one in which the number of people in military gaols dropped from 43,000 in 1981 to 8,000 in February 1985. It is in that context that we welcome and encourage progress towards democracy by a fellow member of the North Atlantic Alliance.

Mr. Deakins: Does the Foreign Secretary not think that there will have to be a considerable improvement in the human rights situation in Turkey, particularly in relation to the treatment of trade unionists and opposition political parties, before a Turkish application to become the 13th member of the Common Market could be favourably considered?

Sir Geoffrey Howe: I think that the general validity of observations of that kind has been acknowledged by the Turkish Government throughout the years that we have been talking about. It would be helpful in this context if some hon. Members who are always ready to criticise the Turkish Government were equally ready to give encouragement and approval when steps are taken in the right direction.

Mr. George Robertson: The Foreign Secretary cannot level an accusation at me for not giving encouragement to the small, tentative steps that have been made back towards Turkish democracy. But surely it is unacceptable that 8,000 people should still be held in military prisons by a fellow member of the North Atlantic Treaty Organisation and that some of the curtailments of martial law should be accompanied by the suggestion of new, repressive laws. Surely that that must be met with more forthright economic sanctions from the EEC, rather than mere pious words of hope that democracy will return to Turkey.

Sir Geoffrey Howe: All these matters have to be looked at in perspective, against the situation with which the Turkish Government was originally called upon to deal. It must be recognised, for example, that some of the changes that the hon. Gentleman has been talking about have been the subject of vigorous debate and analysis in the Turkish Parliament and press in a way that would have been quite unimaginable some years back. So, progress is

being made. It is right for us to keep a watchful and interested eye on this and leave the Turkish Government, as I made clear in my original answer, in no doubt about our concern.

Central America

15. **Sir Russell Johnston** asked the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with the United States Government on the possible consequences for East-West relations of instability in Central America.

Sir Geoffrey Howe: We regularly discuss the situation in Central America with the United States Administration. We share with the United States the objective of an early return to peace and stability in the region on the basis of the Contadora principles.

Sir Russell Johnston: When the Secretary of State met the President of Mexico, did he express concern about the pressure that the United States is exerting on Nicaragua? Did he, perhaps, suggest that it would have quite the opposite effect and would drive Ortega into the arms of Moscow, rather as happened with Castro? Does the right hon. and learned Gentleman agree with that analysis, and, if so, what views is he expressing to the United States Government?

Sir Geoffrey Howe: Obviously, because of Mexico's important part in the Contadora process, the position in Central America was one of the subjects discussed with the Mexican President and, indeed, during my talks with the Mexican Foreign Minister when he was here. We were both willing, ready and enthusiastic to endorse the Contadora process, anxious to assert the principles underlying that — that the utmost restraint must be exercised on all sides in Central America—and to draw attention to those aspects of Nicaraguan policy that are causing anxiety in the region.

Mr. Tony Lloyd: Does the Foreign Secretary accept that, from the point of view of Western Europe, the roles of the United States, with its massive power, and the minor power of Nicaragua—even in Central American terms—are unequal? Has not the role of the United States been almost totally unhelpful in the Contadora process? Indeed, it is almost certainly designed to sabotage that process.

Sir Geoffrey Howe: United States general policy is that it wants to see political reform and stability in Central America through peaceful means. We support that objective. We also urge on Nicaragua the need for it to avoid those actions that are causing anxiety in neighbouring states, which threaten the stability of neighbouring states, and the need for it to engage in a more genuine dialogue with all parties in the country to try to achieve more progress towards true democracy.

Mr. Forman: My right hon. and learned Friend has spoken warmly of Western European support for the Contadora process. What steps might now be available to Western European countries to make progress in that direction?

Sir Geoffrey Howe: There is, of course, a continuing aid relationship. We held a conference in San José in September last year. Arrangements are now being discussed for a future meeting of that kind, but not necessarily in the region, together with arrangements for a possible association agreement.

Mr. Healey: May I begin by reciprocating the right hon. and learned Gentleman's courtesy to me and congratulate him on surviving President Reagan's displeasure at his comprehensive critique of the star wars programme?

Will the right hon. and learned Gentleman point out to the United States Administration that by organising and financing the most inhuman type of terrorism against the citizens of a friendly state he is undermining the attempt, which I am sure the right hon. and learned Gentleman would support, to organise some international action against terrorism in general?

Secondly, will the right hon. and learned Gentleman point out to Mr. Shultz, who has threatened to invade Nicaragua if terrorism fails to overthrow its Government, that such an invasion would create the deepest breach between the United States and its European allies since the war and, moreover, would unite the whole of Latin America in a wave of anti-Yankee imperialism?

Sir Geoffrey Howe: If we are to continue these friendly personal exchanges, I must say that it is strange for the right hon. Gentleman to congratulate me on surviving a speech that I made about two months ago. I congratulate him on having woken up and returned to our proceedings.

Of course, there is a need for restraint on all sides in the light of the present position in Central America. President Reagan recently gave a written assurance to an American Congressman that he is not seeking the military overthrow of the Sandinista Government. The American Government want political reform and stability in Central America through peaceful means. It is important that restraint should be exercised on both sides, and that Nicaragua should undertake an internal political dialogue.

European Community Policies

16. **Mr. Knox** asked the Secretary of State for Foreign and Commonwealth Affairs what further proposals he intends to place before his European Community partners for the development of Community policies.

Mr. Rifkind: We have made several positive proposals, including ideas for the completion of the internal market by 1992, improvements in decision-making, the development of political co-operation between the Ten, and other matters, which we look forward to discussing at the European Council in Milan.

Mr. Knox: Can my hon. Friend explain how Community economic policies can be developed while Britain remains outside the exchange rate mechanism of the European monetary system?

Mr. Rifkind: The United Kingdom has not been a member of the exchange rate mechanism of the EMS for several years, and I do not believe that that has significantly held back the development of Community policies. Indeed, it is significant that the use of the ecu is more freely available in the United Kingdom than it is in many states which are members of the exchange rate mechanism of the EMS.

Dr. Owen: Will the Minister ensure that, in Milan, the Foreign Secretary or the Prime Minister raise the serious problems that are developing in southern Sudan? Food is being held up at the ports, and there are no means of

getting it through by road. Is there not a great need for a European initiative to try to achieve an air lift? An EC initiative in this area would be much welcomed.

Mr. Rifkind: I cannot say whether that item will be on the agenda at Milan, but I assure the right hon. Gentleman that the Community has a deep and abiding interest in Sudan and hopes to make a constructive contribution to that problem.

Mr. Beaumont-Dark: At Milan, will the Prime Minister be discussing Lord Cockfield's plan for 304 changes to achieve harmonisation? May we have a clear assurance that no British Government, until they have put the case to the people, will concede any such harmonisation involving the imposition of VAT on food, and that they will not restrict their right to decide internal taxes?

Mr. Rifkind: Although we agree with the broad thrust of Lord Cockfield's proposals, we have made it clear, as have several other Governments, that the case for tax harmonisation has not been proven. We do not believe that the achievement of an internal market requires the harmonisation or approximation of taxes, and we have pointed to the example of the United States, many of whose 50 states have different direct and indirect taxes, which in no way impedes the operation of a free internal market there. I assure my hon. Friend that the Government have no intention of introducing VAT on food.

Nicaragua

17. **Mr. Dubs** asked the Secretary of State for Foreign and Commonwealth Affairs what is the Government's current attitude toward the Government of Nicaragua; and if he will make a statement.

Mr. Renton: We share the concern of many Central American states at Nicaragua's build-up of arms and increasingly close contacts with the Soviet Union and Cuba. Our future relations will depend on Nicaragua establishing genuine democracy, scaling down her armaments, and putting an end to support for subversion in the region.

Mr. Dubs: Why does the Minister persist in putting all the blame on Nicaragua? Would not our relations with Nicaragua and peace in Central America be significantly improved if the Government said categorically that they did not support the American policy of giving money to the Contras, and that they do not support President Reagan's avowed aim of getting rid of the Sandinista Government by peaceful or other means? Is that not the right policy for us?

Mr. Renton: The hon. Gentleman should be aware that the $27 million recently voted by Congress was specifically an appropriation for non-military aid to cover food, medicine, clothing and other humanitarian purposes. It is not a case of putting the blame entirely on Nicaragua. As my right hon. and learned Friend said, the emphasis of our policy and, indeed, of the policy of the Contadora group is to persuade all countries in Central America to scale down their military spending and to withdraw their forces from other countries. That is the only way to achieve peace in the region.

Sir Frederic Bennett: Is it not a fact that Nicaragua could make the best possible contribution towards a generally more acceptable atmosphere for its country if it followed the example of other dictatorships, such as Uruguay and El Salvador, and held genuinely free elections, not the sort of bogus elections, which were so bogus that Her Majesty's Government refused even to send observers to them?

Mr. Renton: Yes, Sir. One of our aims is to persuade Nicaragua to move towards a genuine pluralist democracy.

Royal Assent

Mr. Speaker: I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified Her Royal Assent to the following Acts:

1. Enduring Powers of Attorney Act 1985.
2. Ports (Finance) Act 1985.
3. Wildlife and Countryside (Amendment) Act 1985.
4. Hill Farming Act 1985.
5. Rating (Revaluation Rebates) (Scotland) Act 1985.
6. Nottinghamshire County Council Act 1985.
7. King's College London Act 1985.
8. Leicestershire Act 1985.
9. Associated British Ports Act 1985.
10. Nottinghamshire County Council (Superannuation) Act 1985.

BILLS PRESENTED

SPORTING EVENTS (CONTROL OF ALCOHOL ETC.)

Mr. Secretary Brittan, supported by the Prime Minister, Mr. Secretary Younger, Mr. Secretary Edwards, Mr. Secretary Jenkin, Mr. Secretary Ridley, Mr. Giles Shaw and Mr. Neil Macfarlane, presented a Bill to make provision for punishing those who cause or permit intoxicating liquor to be carried on public service vehicles and railway passenger vehicles carrying passengers to or from designated sporting events or who possess intoxicating liquor on such vehicles and those who possess intoxicating liquor or certain articles capable of causing injury at designated sports grounds during the period of designated sporting events, for punishing drunkenness on such vehicles and, during the period of designated sporting events, at such grounds and, where licensed premises or premises in respect of which a club is registered (for the purposes of the Licensing Act 1964) are within designated sports grounds, to make provision for regulating the sale or supply of intoxicating liquor and for the closure of bars: And the same was read the First time; and ordered to be read a Second time tomorrow and to be printed. [Bill 173].

TENANTS' PROTECTION (SCOTLAND)

Mr. Bruce Millan, supported by Mr. David Marshall, Mr. Jim Craigen, Mr. Michael Martin, Mr. John Maxton, Mr. Gregor MacKenzie and Mr. Norman Buchan, presented a Bill to give further protection to tenants in Scotland: And the same was read the First time; and ordered to be read a Second time upon Friday 5 July and to be printed. [Bill 176].

WILDLIFE AND COUNTRYSIDE (SERVICE OF NOTICES)

Dr. David Clark, supported by Mr. Andrew F. Bennett, Mr. Jim Callaghan, Mr. D. N. Campbell-Savours, Mr. Ron Davies, Mr. Peter Hardy and Dr. Mark Hughes, presented a Bill to apply section 283 of the Town and Country Planning Act 1971 and section 269 of the Town and Country Planning (Scotland) Act 1972 to notices and other documents required or authorised to be served or given under the Wildlife and Countryside Act 1981: And the same was read the First time; and ordered to be read a Second time upon Friday 5 July and to be printed. [Bill 174].

Environmental Pollution Information

3.34 pm

Mr. Nigel Forman (Carshalton and Wallington): I beg to move,

That leave be given to bring in a Bill to provide a public right of access to information concerning the discharge or disposal of substances into the environment and the presence of certain dangerous substances on premises, held by certain government departments and other authorities and by persons responsible for such substances; and to require certain government departments and authorities to notify those affected of hazards to their health or safety, or danger to their property likely to be caused by such substances; and to establish the office and powers of the Environmental Information Commissioner.

I apologise for the length and complexity of the long title, but I hope to show that there is need for such legislation and that my proposal would meet that need.

The aim of the Bill is to ensure that the public have access to full information about pollution of the environment and attendant risks to public health. Too often that information is treated as confidential when it need not be. Unnecessary obstacles may be placed in the way of people who want to know about environmental hazards and the corrective action that may or may not be taken to deal with them. In some cases that is because the law prevents a pollution inspector from disclosing information. In other cases, information is withheld on the grounds that it may alarm people or that people would not understand the technicalities. Inevitably, in those circumstances there is suspicion that secrecy exists to protect those who create environmental hazards or to conceal official inaction. That secrecy and the public mistrust that it can create is a problem which has long worried the Royal Commission on environmental pollution.

In 1972, the Royal Commission reported that the need for commercial secrecy seldom required information about pollution to be withheld. It therefore called for a more open approach to such matters. It has repeated that call on a number of subsequent occasions.

Although some progress has been made, when the Royal Commission published a major review last year of the availability of information on environmental pollution it concluded that unnecessary secrecy continued to frustrate legitimate inquiries and it recommended that the public should be entitled to

"the fullest possible amount of information on all forms of environmental pollution, with the onus placed on the polluter to substantiate claims for exceptional treatment."

The Royal Commission went on to make the overriding recommendation that

"a guiding principle behind all legislative and adminstrative controls relating to environmental pollution should be a presumption in favour of unrestricted access for the public to information which the pollution control authorities obtain or receive by virtue of their statutory powers, with provision for secrecy only in those circumstances where a genuine case for it can be substantiated."

I am glad to say that that is a recommendation which the Government accepted in principle in paragraph 21 of their response to the 10th report of the Royal Commission, and my Bill would implement that recommendation.

The Bill provides the public with a right of access to information about pollution while exempting from disclosure some categories of information where a genuine case for confidentiality can be made out. It gives people the right to see and copy any official documents about

pollution unless the document contains exempt information. It applies to information held by central and local government and by any other public authority with responsibility for pollution matters.

The Bill would enable anyone to see information, such as monitoring data, hazard assessments, research findings, cost-benefit analysis of various pollution control strategies and a wide range of other relevant material. It would also require a pollution control authority to provide information to anyone whose health or property was put seriously at risk by pollution or by the storage of dangerous chemicals. That is a duty which factory inspectors already have in relation to people at work. It seems right that the general public should benefit similarly.

Furthermore, the Bill requires that those who create pollution should disclose relevant information on request. That is necessary because it would be unrealistic and unreasonable to expect the pollution control authorities to possess complete information on all pollution problems which might arise.

Some categories of information would be exempt from disclosure. The exemptions are designed to protect four main interests. The first is the interest of national security. The disclosure of information which would jeopardise our defence or foreign relations would therefore be exempt. The second interest is that of legitimate commercial secrecy. For example, the Bill would not require the disclosure of information which might prejudice the protection of vital commercial interests, such as sensitive product testing data, or give an unfair advantage to competing firms. However, that exemption could be waived in those rare cases where the public interest in disclosure was deemed to be paramount.

The third interest is that of individual privacy. For example, information on the health of someone adversely affected by pollution would not be made publicly available. The fourth category is the interest of pollution control. Polluters would not be able to use the legislation to gain advance notice of what should otherwise be an unannounced inspection by the relevant pollution control authority.

Equally, pollution control authorities might sometimes depend upon information given to them voluntarily and in confidence but which they have no legal power to demand. It would, therefore, be unwise to require them to disclose such information if as a result that information was no longer forthcoming. However, where the authority has the legal power to require the information or where there is a positive incentive for a firm to supply it—for example, if this is done in return for the granting of a licence or to influence draft legislation — the public disclosure is unlikely to cause the supplier to withhold it and the information would, therefore, not be exempt.

In cases of dispute the Bill provides for the establishment of an environmental information commissioner with legal powers to ensure that the legislation is enforced and with the power to require or prevent disclosure in a particular case. However, there would also be a right of appeal to the High Court on a point of law.

In connection with wider considerations, I stress that the Bill provides a legal right of access to information which can be enforced by the commissioner if the authorities fail to comply. It does not leave disclosure simply to the discretion or good will of the pollution control authorities. Experience has shown that the latter approach is not adequate.

For example, the English water authorities have decided to make use of their newly acquired discretion to exclude the public from their meetings. The local authorities have power under the Control of Pollution Act 1974 to obtain information about air pollution in their area. Any information so obtained must be published. However, in practice most local authorites obtain such information informally without using their powers and thereby circumvent the obligation to publish the data.

I stress that the Bill will provide what the Royal Commission has called for — unrestricted access to information held by pollution control authorities. That is not the same as specifying one or two items of information which will be available, perhaps on a register, while leaving the rest of the information as difficult to obtain as before.

We want to get away from the approach suggested by the Health and Safety Commission in its recent discussion document. It suggested that access should be given only to very limited information held by Health and Safety Executive inspectors, that disclosure should normally be at the discretion of the employers, that information should be available only to those with a demonstrable "need to know", and that instead of full access to complete data the public should make do with

"some relatively simple account of the type of hazard which might occur."

I hope that the House will agree that the HSC approach is unsatisfactory and that progress along the lines of my Bill would be infinitely preferable for the cause of environmental protection.

The Government make clear in paragraph 22 of their response to the 10th report of the Royal Commission that they also hope to find a uniform way of implementing the commission's recommendations on confidentiality. The search for such a uniform regime is now the responsibility of an interdepartmental working party which will have to report to Ministers by the end of the year.

I stress that the Government have taken a positive line throughout and remain firmly committed to the principle of greater openness in environmental matters. I am also glad to say that I have received messages of support for the Bill from the National Consumer Protection Council and the National Association of Local Councils.

A uniform regime on confidentiality would be achieved by my Bill since it applies equally to all bodies with official responsibility for controlling pollution. At present there are too many anomalies. Some pollution control authorities are required to disclose certain information about discharges, others are prohibited by law from doing so. Employees have explicit statutory rights to information about work place hazards, but the general public is often denied that information even when equally at risk.

Mr. Speaker: Order. I draw the hon. Gentleman's attention to the fact that he has been speaking for just over 10 minutes.

Mr. Forman: I am coming to the conclusion, Mr. Speaker.

My Bill would also be of benefit to the pollution control authorities themselves since they are sometimes exposed to needless criticism because of the restrictions on disclosure prevent them from explaining properly the steps which they have taken to control a pollution problem

However, my Bill's most vital contribution would be to enable people to find out for themselves the risks which

[Mr. Forman]

they face from pollution, to discover whether everything necessary has been done to control it, and to press for greater public protection where it is necessary. I therefore hope that the House will approve my initiative and will give me leave to introduce the Bill.

Question put and agreed to.

Bill ordered to be brought in by Mr. Nigel Forman, Sir Hugh Rossi, Sir Bernard Braine, Mr. Sydney Chapman, Mr. Kenneth Warren, Mr. Nicholas Lyell, Mr. Kenneth Carlisle, Mr. Tom Clarke, Mrs. Virginia Bottomley, Mr. Derek Conway, Mr. David Heathcoat-Amory and Dr. Ian Twinn.

ENVIRONMENTAL POLLUTION INFORMATION

Mr. Nigel Forman accordingly presented a Bill to provide a public right of access to information concerning the discharge or disposal of substances into the environment and the presence of certain dangerous substances on premises, held by certain government departments and other authorities and by persons responsible for such substances; and to require certain government departments and authorities to notify those affected of hazards to their health or safety, or danger to their property likely to be caused by such substances; and to establish the office and powers of the Environmental Information Commissioner: And the same was read the First time; and ordered to be read a Second time upon Friday 5 July and to be printed. [Bill 175.]

Orders of the Day

Food and Environment Protection Bill *[Lords]*

As amended (in the Standing Committee), further considered.

Clause 15

CONTROL OF PESTICIDES ETC.

3.46 pm

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mrs. Peggy Fenner): I beg to move amendment No. 21, in page 15, line 14, after 'effect', insert *'(a)'*.

Mr. Speaker: With this it will be convenient to discuss Government amendments Nos. 22, 26 and 56.

Mrs. Fenner: The Committee had a full and detailed debate about the public disclosure of information relating to pesticides during which I explained at some length the Government's intentions. In the drafting of subsections (2) *(j)* and (5) of clause 15 the Government believed that they had struck the right balance between the public interest in access to information and the protection of the commercial interests of those who supply the information. My hon. Friend the Member for Carshalton and Wallington (Mr. Forman) raised this very issue when introducing a few minutes ago his Bill on environmental pollution information. I have no doubt that the balance is weighted in favour of public access, but the feeling in Committee was that more could be done in the Bill to favour the public interest as the Royal Commission recommended.

The Government have reflected carefully and in response have tabled the amendment to the first subsection of clause 15 on the general purposes of this part of the Bill. If accepted, the amendment would have the effect that the following provisions of part III

"would have effect with a view to making information about pesticides available to the public".

This would apply to safety data about chemicals and to other information and to information about the controls exercised over pesticides in the Bill. I believe that this addition to clause 15 further strengthens the presumption in favour of public access. We cannot adopt the Royal Commission's use of the term "unrestricted access" in a legal statute because that would nullify the effect of subsection (5), which protects the legitimate interest of manufacturers. Again, that is an issue to which my hon. Friend the Member for Carshalton and Wallington referred in introducing his Bill.

We are moving public information into the highest category of purpose of the Bill, which, because of the widespread public concern about pesticides, is the appropriate place. Moreover, we are maintaining the balance between the public interest and the respect for commercial interests in the body of clause 15. That seems to us to be a significant improvement.

Mr. D. N. Campbell-Savours (Workington): Will the Minister explain the difference between summaries and

the general principle of far wider access to all the information that is made available? What is the Government's position on that consideration?

Mrs. Fenner: We believe that the public's access to information should have a high priority and should be an integral part of these provisions. By moving the relevant provisions to the first part of part III we have highlighted the emphasis that we attach to the principle. The Government believed that they had struck a perfect balance between subsection (2)*(j)* and subsection (5), but it was made clear in Committee that those considering the Bill felt that something more could be done to emphasise the importance that is attached to public access to information. It is in that spirit that we have moved the emphasis on public access to the beginning of part III to make it the top priority.

Sir John Farr (Harborough): I am grateful to my hon. Friend the Parliamentary Secretary for that explanation, which was suitably brief. I am also grateful to the Government for accepting the principle of the three amendments moved in Committee, Nos 98, 99 and 100, which we think were of great significance to the Bill. The Government could easily have reversed the three amendments, and those of us who voted in favour of them in Committee are grateful that they have been retained, more or less as they are. We congratulate the Government on their wisdom.

Clause 15(1) is an important part of the Bill. As the Bill is now, subsection *(a)* speaks of the need

"to protect the health of human beings".

That can be understood, but my hon. Friend's amendment will mean that there will be two subsections lettered *(a)*. That will serve only to make a complex Bill more complex.

Apart from that, I welcome what my hon. Friend has tried to do. We are grateful to her for preserving the spirit and the quality of amendments tabled in Committee. However, I ask my hon. Friend to give some clarity to the drafting of these amendments.

Mr. Richard Body (Holland with Boston): I always want to be helpful to my hon. Friend the Parliamentary Secretary, and I hope that she will think that by tabling amendment No. 56 I am being so. She gave an impressive television performance recently in which, in answer to a journalist, Penny Junor, in a programme on Thames Television, she said that when regulations come out, it is her wish that all the details will be available. I hope that we can move in that direction. I am not suggesting by my amendment that we should have all the details, but we can go a little further in trying to reconcile the interests of the public and those of the manufacturers.

I had a discussion with the director of the British Agrochemicals Association only yesterday. He assured me that he supported my amendment, which goes rather further than that on which my hon. Friend is anxious that the House should agree.

It must be in the interests of the public to be able to see the data submitted by the manufacturer about the safety of the pesticides and their effect on the environment. When I speak of the public, I put in a word for our working farmers, who deal every day with pesticides. There is growing anxiety among them about the pesticides and to what extent they should use certain of them. That anxiety is increased when they read about how other countries forbid the use of the very pesticides that they are using. Therefore, it is right that a small organisation with which I am associated, the Smallfarmers Association, should have access to the data in the Ministry of Agriculture, Fisheries and Food and then be able to engage its own scientists to investigate that data to see to what extent the testing has been carried out satisfactorily.

Equally, it is in the interests of the manufacturers that rivals, particularly countries such as Korea and Thailand, which are getting into the pesticide business, should not be guilty of piracy. Therefore, my amendment is couched in such a way as to ensure that there can be no piracy, nor any danger to any manufacturer. I would welcome my hon. Friend's comments on that. That would enable those concerned, either on behalf of farmers or environmental lobbies — even doctors, because many of them are concerned about this—to have access to the data so that they can assess it.

My hon. Friend may say that it is intended to produce monographs on these different pesticides that will give a summary of the data, but that will not be enough. I am sure that she will realise that. They will not recite the methodology or the kinds of tests that have been carried out, nor will they give details of the sorts of animals that have been used.

My hon. Friend knows that the tests on these pesticides are almost entirely carried out on rats and mice. If the pesticide is mutagenic, we must know whether the tests have been carried out for at least two years on three generations of rats and mice. One will not know whether a pesticide is mutagenic unless such data are given.

I understand that what is made available by the Ministry will not include that information. If a pesticide is carcinogenic, the tests must be carried out for a certain time. We must also question whether, if it is carcinogenic in respect of rats or mice, it will be the same on humans. I do not want to repeat the thalidomide story, but that was tested on rats and was perfectly satisfactory, yet we know only too well what the effect was on humans.

There is a question mark over the use of only rats or mice when testing such pesticides. The public should therefore be told what animals are being used so that they can judge the extent to which the tests are valid.

I stress that, because in the United States, as my hon. Friend knows only too well, people are beginning to realise that by themselves tests on rats and mice are not sufficient and that other tests should be carried out. The Minister and I know that a number of pesticides have been called into question in the United States and will now be prohibited, yet their use will still be allowed in this country. Is there a difference in testing between the United States and the United Kingdom? How will we know if all we are to get are monographs? Will they contain the kind of information that will be sufficient to enable people to pass their own independent judgment?

My hon. Friend will be familiar with the name of Professor A. E. M. McLean, who until recently was a member of the scientific sub-committee of the Government's own Advisory Committee on Pesticides. I hope that his views will not be dismissed as those of a crank but will be acknowledged as the views of someone who has had an inside knowledge of the subject. Professor McLean was joint author of a book entitled "Safety Testing of New Drugs. Laboratory Predictions and Clinical Performance", which was published only last year. He said:

[Mr. Richard Body]

"the ordinary criterion of scientific reliability (that the results are reproducible in other laboratories) does not operate".

He added:

"When the methodology of conventional test procedures is discussed it becomes evident that quite small differences in procedure can have large effects on the outcome, and so on the inferences which may be drawn from them".

4 pm

The Parliamentary Secretary will appreciate, therefore, that the summaries will be useless to the public, to farmers and to the members of environmental groups and others who want to probe these issues unless they have some understanding of the methodology and what led up to the data being provided. Unless that information is forthcoming, we shall not satisfactorily solve the problem.

Let us suppose that the boot were on the other foot and a manufacturer, having produced a new type of pesticide, had to have it tested by an agency of the Ministry of Agriculture, Fisheries and Food. Let us suppose that the Ministry then published only a summary of the data, such as that which my hon. Friend has in mind. What, then, would be the feelings of the manufacturer? Say that the new pesticide was condemned by the Ministry and the manufacturer was not permitted to obtain the full data comparable to what I have in mind should be disclosed to the general public. The manufacturer would be in an impossible position.

The United States has its Freedom of Information Act. We have the chance now to go to Washington and find out the full details of how the same pesticides have been tested in that country. Indeed, officers of Friends of the Earth tell me that they have been to America and seen the very data that they will not be allowed to see in Britain.

I fear that the Government's not allowing the same information to be available here—remembering that we are concerned with circumstances in which some pesticides forbidden in the United States will be permitted here—will cause ugly statements to be made, and such a state of affairs will not be helpful to anyone.

I hope, therefore, that the Minister will give careful consideration to my amendment No. 56 and will agree that, if it is right that people in the US should have this information, it is right for the people of Britain to have it. It is wrong that we should have to cross the Atlantic and go to Washington to get the sort of information that should be available to us here. If it is not made available, the worst suspicions will be aroused, and I fear that we in Parliament will not do well as a result.

Mr. Campbell-Savours: I apologise in advance for the fact that I shall have to leave at 4.15 to attend a meeting of the Public Accounts Committee, where I wish to deal with an important item on the agenda. I shall then return to the Chamber, but I may miss the Minister's speech in reply to this amendment.

Like the hon. Member for Holland with Boston (Mr. Body), I fear that the Bill, in the way in which it will be amended, will not clarify the position and may, instead, disguise the intention of the Government. The result will be that the public will be denied information about pesticides. The Government amendment contains the words

"with a view to making information about pesticides available to the public".

What it does not say, but should say—because that is the intention—is that it will be restricted information. All the information available to the Department will not be made available to the public. In Committee, the Parliamentary Secretary said:

"I assure the Committee that we shall seek to ensure that the public will have every opportunity to judge for themselves whether the Government have reached a reasonable decision about a chemical . . . information will not be kept under wraps unnecessarily."

Who will decide on what is unnecessarily being kept under wraps? Will it not be the Department? It is unreasonable that those who wish access to information will be denied the right to determine whether something should be made available. A bureaucrat will take the decision.

It was clear from the debate in Committee that there are divisions of opinion about what should constitute information being "kept under wraps unnecessarily." The Government are totally misreading the representations of Campaign for Freedom of Information, the environmental groups and all others interested in these issues. They are demanding that full information be made available.

In Committee, the Minister said:

"it is our intention to ensure that the information released will enable an informed judgment to be made by the public". — [*Official Report, Standing Committee H*, 30 April 1985; c. 334.]

What does the Minister regard as an "informed judgment"? What she regards as an informed judgment may not be what environmental groups and researchers believe it to be. All the time we are leaving subjective judgments to be made by officials who make recommendations to Ministers. The Minister is misreading the sense of environmental outrage that is felt by the public on this issue.

We dealt at length in Committee with the position in America. I pointed out that the Environmental Protection Agency there found that IBT — Industrial Biotest Laboratories — had fabricated data. Some of those studies were submitted in the United Kingdom and were accepted by the Advisory Committee on Pesticides, and decisions were taken based on the ACP's recommendations. The same officials will decide to what extent information should be restricted.

The Minister should take on board the American experience and ensure that United Kingdom researchers are given full access to information. After all, often no alternative information about hazards is available.

That information should be available, for example, to those concerned with the effects of pesticides on their employees and to persons affected by spraying. Otherwise, it will be difficult for them to obtain information relevant to the problems with which they must deal and with which doctors are concerned. Indeed, medical practitioners may wish to research into the effects of certain products. They should not be denied information which is available to the Department but which will be under lock and key.

The full disclosure of safety data under the Federal Insecticide, Fungicide and Rhodenticide Act in America works well. FIFRA has shown that it is possible to combine full disclosure with the protection of commercial interests. The amendment standing in the name of the hon. Member for Holland with Boston would not alter a company's indefinite right to the exclusive use of such data.

To deny information on the ground that the public is not competent to make correct use of it is unacceptable. The

British Agrochemical Association accepts the principle of "the right to know." Disclosure would increase public confidence, prevent amateur research being carried out by other organisations and, to some extent, prevent the need for duplication of research. Public anxiety increases when people are denied the facts.

Even at this late stage, the Parliamentary Secretary, should heed the substantial representations that are being made by people inside and outside the House. In particular, she should heed the remarks of her hon. Friend the Member for Holland with Boston, who has great knowledge of these matters. He is in contact, through an organisation representing small farmers with which he is associated, with many people in Britain who are involved with the use of pesticides. I am sure that he brings to the House through that association the value of their experience.

All Committee Members received persistent demands from a number of organisations to set up a more open regime with respect to freedom of information. The Parliamentary Secretary must respond to those demands and be fair.

Mr. Simon Hughes (Southwark and Bermondsey): The Government should accept the amendment proposed by the hon. Member for Holland with Boston (Mr. Body). I pay tribute to the Government for responding to pressure and to the other place for having moved forward. They have accepted that there should be a move towards giving people the right to know about pesticides.

The Parliamentary Secretary's words a fortnight ago on television are important because they highlight not only the possible advantages of the Government's amendments but the gap that will exist if we go only as far as the amendments take us. The hon. Lady said:

"The Bill empowers Ministers to make information available to the general public regarding the safety of pesticides."

She went on to say:

"The details will all be available."

Those two statements are not consistent. Government amendment No. 22 states:

"with a view to making information about pesticides available to the public".

The criteria are set out, but the Government retain the right to determine exactly what will or will not be included in that information. If the Parliamentary Secretary is to give the House the assurance that she gave the nation via television—

"The details will all be available"—

she must logically accept the amendment proposed by the hon. Member for Holland with Boston. It provides that information will become available automatically and naturally and not simply in a conditional sense because of what the Government's regulations impose.

Mr. Body: Does the hon. Gentleman appreciate that my amendment does not go as far as the statement on television by my hon. Friend the Parliamentary Secretary? I am only going 90 per cent. of the distance.

Mr. Hughes: Yes. We are constrained by the fact that the amendment proposed by the hon. Member for Holland with Boston goes as far as we shall be able to go today. He has imposed a condition too. He has restricted disclosure relating to commercial interests, for reasons that I understand although I may not entirely share them. If the Parliamentary Secretary accepted that premise, we would be making progress. She said that she was satisfied "that the preponderance is on making information available to the general public."

We must not have battles year after year when Governments always resist and have to be dragged through the hedgerows until they are forced to give a concession. Countries that learned democracy from us have long before us established the right to know. The High Court has decided that councillors have the right to know. That means that not only officials but the people who are concerned with the issues have the right to know. They include farmers, business men, researchers and legislators. I ask the Government to say that those people need to know now.

I give one bizarre and important example which shows how ridiculous the position is. I am told that research is being conducted in London university on lemons sold in shops in London. After they are harvested, a fungicide called hydroxydiphenyl 2 is sprayed on them. That fungicide is governed by World Health Organisation limits, because it is dangerous when used above a certain limit. WHO says that the acceptable limit for that fungicide is 10 parts per million. The fungicide on lemons sold in London shops regularly measures 200 parts per million.

4.15 pm

This is what happens to the lemons. They are harvested and then scrubbed to remove the pesticide. They then look a little withered and as though they will not appeal to the consumer, so they are dipped into a wax fungicide mixture to make them yellow, shiny and appealing. When one washes those lemons there is no problem because the fungicide does not react in any way. The water runs off them because the skin is protected. However, if one regularly dips a lemon into one's gin and tonic, alcohol causes a chemical reaction.

One might need to drink a few gins and tonics in a day for this to have any effect. I may have vices, but that is not one of them, although there may be some hon. Members present who are worried about this information. The chemical reaction dissolves the wax and releases the fungicide into that drink at nearly 20 times the recognised international level.

This research was conducted by an eminent and respected group of people at London university who thought that they should ascertain whether the Ministry knew about this. They telephoned the Ministry and asked about its findings. The answer was, "I am sorry. We cannot tell you. It is governed by the Official Secrets Act." Here were researchers offering the Government information, which may save Conservatives more than any others by protecting them when over-indulging in gin and tonic —yet the Government could not say whether they were researching the same issue.

That is an amusing example, but it is an example of a fundamental point. If science is to be of benefit to our society, it must be of benefit to everyone in our society and not selectively of benefit to those who take unto themselves the rights that go with being in the Civil Service.

I ask the Parliamentary Secretary to give the House an assurance in exactly the same terms as the assurance that she gave on television and consider what the Government would do to go even further than the amendment proposed by the hon. Member for Holland with Boston.

Amendment No. 26 provides that, on payment of "reasonable fees", information will be made available. I

[Mr. Hughes]

accept that there must be a reasonable fee, but the Parliamentary Secretary knows that we are again considering the question of definition. What is "reasonable"? It is clear that, since the last stage of this Bill was considered, the Treasury has been at work on it. We are considering several small amendments that quietly emanated from the Treasury and add little money-recouping measures. This is one of them. I do not object to the Treasury suggesting that a reasonable fee is required. Of course we must pay for photocopying and the like, but we cannot have fees that reflect the cost of the work going on and partly pay for the research and the officials. They are there anyway. The officials' time is given in the public service, for which they are paid. Members of the public, who may not be on big salaries paid by the British Agrochemicals Association or any other firm, need to be assured that we are talking about matters of pence, not pounds, and that the fees are reasonable at all stages. If the Government are committed to access and to freedom of information, they must not put up barriers, whether of cost or of bureaucracy.

I ask the Parliamentary Secretary to think again and ask her—reflecting in the glory that she is partly enjoying by having pulled her Government from resistance to a welcome of freedom of information—to go the whole way and do the job properly.

Mr. Paddy Ashdown (Yeovil): The hon. Members for Holland with Boston (Mr. Body) and for Workington (Mr. Campbell-Savours) and my hon. Friend the Member for Southwark and Bermondsey (Mr. Hughes), who spoke in a most amusing fashion, have identified one lacuna. I want to touch briefly on another omission, although I welcome the measure as it is at least a move towards freedom of information. It touches on the question of public confidence and the processes by which we come to decisions on pesticides which are covered in the Bill and which have been established for some time.

I refer in particular to the constitution of the advisory committee. In a written question to the Minister in column 58 of *Hansard* on 18 June this year, I asked her in what way declarations of interest on the advisory committee are stated. This is relevant because the amendment states that information about pesticides is required to be made available to the public. I point out to the Minister that it is also important to have information about the decision-making process made available to the public. This is a matter of concern to me and, I believe, to other hon. Members, and I hope that the Minister will see fit to touch on it. With regard to the declaration of interests by members of the advisory committee, the members at present are required only to sign a piece of paper which says:

"I have no commercial interest which might make it undesirable for me to receive confidential trade information."

In relation to freedom of information, it seems curious to me that members are not required to make——

Mr. Deputy Speaker (Mr. Harold Walker): Will the hon. Gentleman tell me to which amendment his remarks relate? I find it difficult to see such a link.

Mr. Ashdown: It is amendment No. 22,

"with a view to making information about pesticides available to the public".

My case is that this should include information about the way in which the decisions on pesticides are made. It is on that matter that I wish the Minister to comment.

Mr. Deputy Speaker: It is difficult to see the relationship between the two that the hon. Gentleman draws.

Mr. Ashdown: I ask the Minister to consider accepting as more appropriate amendment No. 56 tabled by the hon. Member for Holland with Boston, which is broader and may well allow for members of the advisory committee on pesticides to nominate their interests in a more specifc fashion. We are dealing with decisions taken in secret about products which could cost £1 million to bring to market. It is important that members of the public should have full confidence in how the decisions are taken. Therefore, a broader declaration of interest would be more appropriate if the Minister is indeed interested in following through full freedom of information effectively in the Bill.

Mr. Brynmor John (Pontypridd): It is necessary to comment only shortly upon the debate, in view of the long discussion on the subject in Committee.

We started from the premise that as full information on pesticides as possible should be available on the basis that public concern relates to the concealment of information. This gives rise to fears which, although they may be groundless to the experts, are nevertheless real because members of the public are unable to comprehend fully.

I welcome amendments Nos. 21 and 22 as a move from what is provided in clause 15(5), dwelling exclusively upon confidentiality and commercial considerations, towards a presumption that full information shall be available.

I understand the fears expressed by hon. Members about the face of the Bill, but we must be clear that the mechanism provided by the Bill on this matter, as on so much else, is little evident on the face of the Bill. Little on the face of the Bill is adequately covered by amendment No. 22. Regulations will follow under clause 15(2)*(j)* which will provide for the type of information required. I believe that here we must be vigilant to ensure that summaries are not perfunctory and the information provided is not sketchy. We must ensure that the sort of information mentioned by the hon. Member for Holland with Boston is incorporated in those regulations. It will be for us at the stage of consideration of the Government regulations to make sure that that is so.

I am glad that the Government earlier in Committee stated that hon. Members would be involved in the consultation process on the draft regulations and would be able to make the necessary representations. I believe that, if we are not satisfied with the draft regulations, we will make those representations.

What is included on the face of the Bill is a major step forward. For the first time in consideration of the Bill the Government are saying that the provisions shall have the effect of providing information. In my view, that general statement of intent must be followed up by adequate information being provided for in the regulations. Parliament will scrutinise the regulations closely and, if they are inadequate, will be accordingly critical. I believe that the fullest information possible should be available and the exemptions allowing secrecy should be kept to a

minimum. The public will be more reassured by information being available than they will by its being hidden.

Secondly, I wish to take up the point made by the hon. Member for Southwark and Bermondsey (Mr. Hughes). It is one thing to have information available, but it is another if it is available, as some farming booklets are, at a price of approximately £15. Price can be a determinant of how widely knowledge is disseminated. If there is an entry of the type mentioned by one of my hon. Friends in the case of the Environmental Protection Agency in America dealing with particular chemicals, that should be done at as nominal a sum as possible. I underline that, although I am sure that the Government have it in mind. In this way, those who are interested in obtaining the information will have it freely and without undue expense.

I welcome the Government's amendments on this matter as meeting a point that was widely canvassed in Committee as a source of anxiety.

Mrs. Fenner: I welcome the acceptance of the hon. Member for Pontypridd (Mr. John) of amendments Nos. 21 and 22 and the motives of the Government in tabling them. The amendments make clear the purpose of the Bill. Concern has been expressed that the purpose should be made clearer, and that the amendments seek to do. I understand that hon. Members will scrutinise the regulations carefully to be sure that they live up to that objective.

I apologise to my hon. Friend the Member for Holland with Boston (Mr. Body). I had intended to refer to amendment No. 26 to try to prevent a misunderstanding of the kind which has arisen in the mind of the hon. Member for Southwark and Bermondsey (Mr. Hughes). I am glad that the hon. Member for Pontypridd understands what we are trying to do.

The amendment to clause 15(2)*(j)* is a technical one to enable Ministers to recover the costs of copying and postage, if necessary, from those who request information about pesticides. The Government's intention is to provide in part III a measure similar to that already contained in the last three lines of paragraph 13 of part II. Parliamentary counsel have drafted the amendment with some care to ensure that the provision covers only the incidental costs of providing copies of the document. I assure the Committee that this will not have the effect of inhibiting the public's access to information. Equally, we must not run the risk of becoming an unlimited source of free material at public expense.

I pay tribute to my hon. Friend the Member for Holland with Boston, who has tried to table an amendment that meets the needs of all concerned with disclosure of information. Amendment No. 56 is admirably drafted, but it has one serious disadvantage from the Government's point of view. The amendment does not provide for the release of raw data, but our advice is that Ministers will be constrained to provide access to raw data to anybody who requests it. I explained in Committee that it would involve great administrative effort and that the advantage would in practice be small. The amendment would prevent the provision of summaries of data.

4.30 pm

I have already explained that summaries have been prepared for the meeting of the advisory committee. They include methodology, details of tests, the different kinds of animals and periods of time. Carcinogenicity, mutagenicity and teratogenicity are described in the summaries, and the questions surrounding pesticides are also listed. Therefore, I assure him that the summaries include all the details that he said are not included. They are lengthy, amounting to about 20 pages.

The Freedom of Information Campaign agrees with the Government that the summaries would satisfy the overwhelming majority of inquiries. The raw data on each approved product stand about 3 ft high. It would be a waste of time and effort to make that information available to everybody. Access to raw data may be of use to those engaged in research, and we are prepared to consider granting access to it if a scientific case can be established. We shall discuss the matter when we consult all the relevant interests about the proposals.

The Bill would not prevent either this Government or any other Government from providing access to raw data. I have explained the problem of providing an extreme degree of public access to raw data. My hon. Friend's amendment constrains Ministers to provide access to raw data to anybody who requests it. I hope that I have reassured him about the contents of the summaries and that he will therefore withdraw his amendment.

The hon. Member for Southwark and Bermondsey made a serious point about lemons in London. The pesticide residue working group survey found that lemons in London have exceeded the codex limit of 10 parts per million. Between 1981 and 1984 the level occasionally found was 18 ppm. However, hon. Members who consume large quantities of gin and tonic are much more likely to contract cirrhosis of the liver and to be put at risk than they are if they consume lemons.

Mr. Simon Hughes: It appears that research shows that there may be other sale points at which the danger level is much higher. Can the Minister assure the House that it will be provided with that information, whether in the form of raw data or a summary, before the Bill is enacted so that protection may be provided?

Mrs. Fenner: We monitor residue levels not only in individual items but in the complete diet. The levels found over many years have been well below the level that is internationally regarded as safe, and the levels are declining. The Bill provides for action to be taken on residue levels.

I appreciate hon. Members' difficulty about understanding how far the Government have moved on this issue. I become a little agitated when I am told that I am being dragged screaming into the 20th century. We have sought to enact a good Bill. The Government are not being dragged into the 20th century. The legisation permits disclosure in full about safety data, but in practice that must be subject to consultation and practical considerations—how long it will take, how much it will cost and how much information is required. We must attempt to reach consensus within the ordinary practical constraints of commercial secrecy. We shall make available all the information that is necessary to reassure the public about the safety of the pesticide in question.

Amendment agreed to.

Amendment made: No. 22, in page 15, line 19, at end insert—

'and *(b)* with a view to making information about pesticides available to the public;'.—*[Mrs. Fenner.]*

Mrs. Fenner: I beg to move amendment No. 23, in page 15, line 19, at end insert—

[Mrs. Fenner]

'and references in this Part of this Act to the general purposes of this Part of this Act are references to the purposes mentioned in this subsection.'.

Mr. Deupty Speaker: With this, it will be convenient to discuss Government amendments Nos. 30 and 44.

Mrs. Fenner: These are purely drafting amendments. Their effect will be to remove subsection (8) from clause 17 and to insert it at the end of clause 15, to remove superfluous words from subsection (7) in clause 15, and to provide drafting improvements that are consequential upon the amendment of my hon. Friend the Member for Holland with Boston (Mr. Body).

Amendment agreed to.

Dr. David Clark (South Shields): I beg to move amendment No. 25, in page 15, line 41, at end insert—

'(*ff*) provide for the payment of compensation to beekeepers who incur financial loss as a result of the use of pesticides;'.

This amendment tries to create a statutory compensation scheme for beekeepers who incur financial loss by using pesticides. In Committee and on Report we have spent many hours talking about birds. It is perhaps appropriate that we are now talking about bees. They are very much affected by the misuse — I emphasise the word "misuse"—of pesticides.

Bees are a valuable national asset. They provide us with a considerable amount of honey and serve a useful agricultural purpose. It is therefore in the interest of nobody that bees should be killed by pesticides. Nevertheless, there are about 36,000 colonies of bees in this country and according to the Beekeepers Association there are between 100 and 200 incidents each year of bees being affected by pesticides. About 1 per cent. of beehives are affected each year by pesticide poisoning. We ought to try to reduce it and, if it occurs, we ought to be able to offer compensation to the beekeepers. Aerial spraying in particular is responsible for poisoning bees and causing most of the damage.

Another cause for concern is the increase in the cultivation of oilseed rape. If oilseed rape is incorrectly sprayed, many more bees die. We are aware that the Ministry of Agriculture, Fisheries and Food issues guidance to both beekeepers and farmers each year and urges the farmers to keep to a code of conduct.

Mr. John Carlisle (Luton, North): If I heard the hon. Gentleman aright, he was talking about the spraying of oilseed rape and the fact that many bees die. Surely he would acknowledge, though, that the vast acreage of oilseed rape that is now grown is of direct benefit to beekeepers. Indeed, much honey now comes from oilseed rape, although it is not as tasty as honey from lime trees and other sources.

Dr. Clark: I did make the point that I was talking about the misuse of pesticides. If the hon. Gentleman wants to follow that particular analogy, looking at the benefits to beekeepers of oilseed rape, I would refer him to a very useful article in *Farmers Weekly* of 12 April by a beekeeper who produces a great amount of honey from oilseed rape. However, without going into the technical aspects, as the hon. Member knows, one should not spray oilseed rape when it is in flower because that is the time when the bees are killed. I am very much aware of the point raised.

It is worrying that bees are killed, but what is perhaps also worrying is the great difficulty that beekeepers have in claiming compensation. I will quote a particular case to the House because it exemplifies the problem very clearly. It concerns a Mr. Houldey of Hartpury in Gloucestershire. I know that the hon. Member for Gloucestershire, West (Mr. Marland), who is here today and has been of assistance to Mr. Houldey, will not mind my quoting the case because I think he accepts that it raises a very serious point.

Mr. Houldey has had a number of spraying incidents. In 1984 alone, in four separate incidents, he lost 47 hives of bees. He estimates his total financial loss to be about £9,000. The interesting point is that, in spite of the fact that Mr. Houldey received compensation in one case, in one of the other cases the contractor was successfully prosecuted but compensation was still refused by the NFU Mutual Insurance Company, which said to Mr. Houldey, "Sue us." Of course, no small farmer or beekeeper is going to take on a massive insurance company; he just has not got the financial assets to risk. I think it is a matter of shame that the NFU Mutual Insurance Company, which by and large has a very good reputation, is refusing to pay compensation in this case.

I raised that example to show the difficulties that beekeepers face. The difficulties come from two main points: first, the failure of farmers, but mainly of contractors, to give notice and to abide by the Agricultural Development and Advisory Service recommendations and code of conduct; and, secondly, the question of getting compensation even when the claimant is able to bring a successful case for compensation.

We believe that there is need to compensate beekeepers. We emphasise that we wish that the code of practice and the Ministry of Agriculture recommendations were more strictly adhered to by contractors and farmers. However, we accept that accidents will happen and that there will be misuse of pesticides. We believe that in such cases there should be compensation paid to the beekeepers, and that is what we call for in this amendment.

Mrs. Fenner: The Government cannot accept this amendment, which singles out one sector of the community for right to compensation in law. Such a provision might prejudice the position of others, if they found themselves in dispute with users of pesticides.

The proper course of action for such grievances is to seek redress in the courts, and I know from a recent case that aggrieved beekeepers have been successful in such actions. The case to which I refer was brought to court before we introduced this legislation to enable Ministers to control use of statute. In finding against the farmer, the judge relied on the considerable advice already made available to users of pesticides both from my Department and from the pesticide manufacturer about the effects of pesticides on bees. I shall explain the action taken by my Department in this area.

4.45 pm

When pesticides intended for use in agriculture are submitted for clearance under the PSPS, information on their toxicity to bees is invariably taken into account. By their very nature most insecticides are toxic to bees to a greater or lesser extent; but an unacceptable level of risk would in itself be sufficient grounds for denying a particular clearance. Such decisions have been taken in the past. The withdrawal of clearance in 1978 for the aerial

application of triazophos to oilseed rape was such a case. Cleared products may carry labels with warning phrases, such as "Dangerous/harmful to bees. Do not apply at flowering stage. Keep down flowering weeds."

To back up the warnings on product labels, my Department provides a great deal of advice to farmers and growers about the use of these pesticides. We give warnings on the general incidence of pest attack and the circumstances in which spraying should be, or is unlikely to be, cost-effective. When we advise that spraying is worth while we recommend farmers to use wherever practicable pesticides that are least toxic to bees, to spray early in the morning or late in the evening, when bee activity is minimal, and generally to take care and to think of others when spraying. We issue a considerable amount of publicity literature. All this is supplemented by advice to individual farmers.

Furthermore, our scientists are ready to investigate any incidents involving the suspected poisoning of bees by pesticides whenever the beekeeper concerned is able to provide a sample of the bees for chemical analysis. The Ministry also arranges meetings at both the national and the local level between representatives of the National Farmers Union, the beekeepers associations and spraying contractors. Our objective is to get the people involved to discuss common problems and to agree on the measures necessary to prevent bee losses from crop spraying. I believe that advice, consultation and communication are the best way to ensure that growers and beekeepers are aware of each other's problems and needs and aware of how to co-exist.

Our legislation will add another dimension. During our consultations on its implementation we shall need to consider very carefully how to protect bees by legal control — for example, by making application at the flowering stage of certain crops an offence. But this is the kind of detailed control on which we must consult all interests affected, so I speak without commitment.

I hope that with this explanation the hon. Gentleman will feel able to withdraw this amendment.

Dr. David Clark: I must admit that I find the last comment from the Minister very helpful and I take the point that she is talking only about the possibility. If the Ministry of Agriculture is about to consider that possibility in the future, that is somewhat reassuring. There has been movement in law and in the case to which the Minister referred—which I think was a case in Sussex where a number of beekeepers combined and were paid damages of about £7,000 for loss of honey crops — the High Court judge did clarify the ruling as to what exactly a bee was, whether a bee was trespassing, and so on. I think that as a result we have moved forward.

I therefore beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment made: No. 26, in page 16, line 21, at end insert

'and to payment of such reasonable fees for furnishing copies as the Ministers may with the consent of the Treasury determine,'.

Mrs. Fenner: I beg to move amendment No. 28, in page 17, line 16, leave out

'when consulted in accordance with subsection (9) below, and'

and insert

', either when requested to do so or otherwise,'.

Mr. Deputy Speaker: With this it will be convenient to take Government amendment No. 29.

Mrs. Fenner: These amendments are minor drafting improvements suggested by the parliamentary draftsman to the new subsection 15(7), which was adopted in Committee. My hon. Friend said in Committee that they might be necessary and I hope that the House will accept them.

Sir John Farr: I thank my hon. Friend the Minister for tabling this minor amendment and also for her letter to me on this matter. There is certainly no weakening of the Committee's intention in the amendment. The key to the amendments made in Committee was that the advisory committee should offer advice upon matters that concerned it without being asked, and that has been preserved intact. The House regards that as an important point, and it probably deals with some of the points that we discussed earlier about the provision of information and so on. If the advisory committee feels that additional information should be made available, it can proffer advice to the Minister without being asked. Therefore, I am grateful to my hon. Friend for what she has been able to do.

Amendment agreed to.

Amendments made: No. 29, in page 17, line 18, leave out

'on which it considers it should offer its advice'.

No. 30, in page 17, line 20, leave out

'mentioned in subsection (1) above'.—*[Mrs. Fenner.]*

Mr. John: I beg to move amendment No. 32, in page 17, line 26, at end insert—

'*(aa)* as to the extent and implications of resistance to pesticides among pests in Britain;'.

This amendment brings us back to a point that was raised in Committee, but which, for one reason or another, was not responded to in full.

For a long time there has been considerable anxiety that the very objects for which pesticides are designed are developing immunity to them. Therefore, the pesticides which in minute quantities could kill and control the pests, can no longer do so.

The Royal Commission on environmental pollution mentioned that factor, but said that it found it difficult to get an exact picture of both the seriousness and the scope of the problem. Many scientists throughout the world are concerned that constant use of pesticides is developing strains of pests immune to their toxicity. There is anxiety that what I call the first world war mentality—that is, if there is resistance we put forth even more to overcome that resistance, which develops more resistance—should be avoided at all costs.

The Ministry acknowledged the problem but put it on the governmental back burner by saying that, although there was a problem, it would not occur until the end of the century. But, of course, even the end of the century is only 15 years away and we are talking about a development of other sources of pest control that are effective during that short time.

I think that we all agree that pesticides should be used at the minimum level consistent with being effective. Because there is resistance to a certain pesticide, we do not want to engender the philosophy that the farmer should add a little extra in the hope that it will kill the blighters.

[Mr. John]

The Minister said that there were 25 strains resistant to 28 pesticides. We have also been told that both fungicides and herbicides are finding resistant strains. The *Farmers Weekly* on 15 March noted:

"Earlier drilling of winter cereal and widespread use of fungicides may lead to a sudden rise in MBC-resistant eyespot."

People are worried because in the ADAS eastern region the resistant strains had risen by 90 per cent. in the year 1984-85. There are similar quantum leaps in resistance in other crops.

The *Big Farm Weekly* of 11 April said:

"The first signs of herbicide resistance in blackgrass have been recorded by scientists at the Weed Research Organisation, Oxford."

When I was looking at the fairly daunting forecasts for the size of this year's harvest—that is, if we ever get any warm weather—the problem of blackgrass was central to the question of cereals. Blackgrass is now becoming resistant to herbicides, so a major problem is arising.

The amendment seeks to ensure that the Ministry consults the advisory committee about pesticides so that it can express its view on this increasing problem. There is no doubt that a resistance will occur, that it will take different forms, that it will apply to a wider spectrum of crops and that it will cause many problems.

In Committee, a similar amendment was moved as one of a large group. I am sure that that is why the Minister replied to it with less than her usual thoroughness. I counted about six lines in *Hansard*—and I was being generous—when I read her reply. But such is the importance of the subject that it warrants a reply. The Government should refer the problem to the ACP at the earliest possible opportunity to determine how it may be overcome and what may be done to avoid resistant strains growing. I hope that the Government can reassure me on that.

I tabled the amendment not to make a party political point or even a point of sharp difference, but to try to make the legislation—as the hon. Lady wishes—as good as we can possibly make it.

Mr. Campbell-Savours: This amendment is a watered-down version of an amendment tabled in Committee, but it is effective. The amendment tabled in Committee asked for a report to Parliament on resistant pests, but it was negatived.

The most serious problem of pesticides is that they can lose their effectiveness due to the appearance of tolerant strains of pest. The pesticides create selection pressure on pest populations that invariably have a genetic pool of widely differing susceptibility to the poison. Certain strong individuals survive the pesticide to breed the next generation. The tolerant pest strain is so serious because there is a real danger that the appearance of such strains will obstruct the production of effective pesticides. The outcome is that we are led to increase the amount of pesticides used to counter the resistance, and that is at the heart of much of our concern and underlines the need to table the amendment.

If we are to respect the policy of minimising the use of pesticides to a degree compatible with efficient farming, a thorough consideration of the implications of resistance is of the utmost importance. The Minister said in Committee that resistance did not necessarily lead to a breakdown of control because there were alternatives. It would be a necessary function of consultations with the advisory committee to determine — based on an appreciation of the extent of the resistance — the implications for the implementation of alternative measures. It is only within the past 10 years that any progress has been made in collecting the data necessary to formulate strategies to control the spread of resistance. Many opportunities have been missed and research has been largely limited to listing occurrences and investigating inheritance patterns and biochemical mechanisms. That is unsatisfactory. We need to understand all the processes, including the evolutionary ones, that lead to a failure in pest control. If we wait until there is a control failure it will be far too late. The alternative attitude is to assume that resistance will eventually arise everywhere and to treat it with larger and larger doses. Our amendment seeks to avoid such an approach, which would be environmentally and economically unsound. It would certainly be most unpopular and damaging to everything that we hold sacred in the countryside.

5 pm

Mr. Simon Hughes: I support the amendment and endorse the arguments for it. If the amendment is accepted and included in the three specific matters on which the advisory committee should be consulted, the importance of the increasing resistance that exists because of the genetic process of pesticides will be highlighted.

I know that the Minister made a response in Committee. I know she is aware of the problem and I accept that the advisory committee will consider the issue, but the question is whether it will regard the matter as sufficiently important to devote some of its members' time to it.

The most graphic example that I have seen recently —the Minister will have seen it also—is the super-rat, which is resistant to all rat poison and rat removal operations known to local authorities which deal with rodent control. Small rats are difficult and frightening enough to deal with, and we wish to remove them from our communities, but now we have super-rats, which cause great alarm where that species is found.

I ask the Minister to reconsider the matter and incorporate the amendment as a specific task for the committee.

Mrs. Fenner: My Department already undertakes a considerable amount of work on resistance to pesticides in agriculture, horticulture and food storage and among houseflies and rodents. I apologise if my response in Committee was brief. I am trying not to be too wordy now, but I feel compelled to inform hon. Members about the work that is carried out.

The Ministry has a small team at Harpenden monitoring crop pest and disease resistance on a regular basis, and at present its work is directed to monitoring eight aphid species of economic importance. As the answers to many questions show, resistance has been confirmed in three of these species. Our regional laboratory at Wye is responsible for monitoring resistance in pests of protected crops for which the problem is most acute, but which have benefited from considerable work on integrated pest control.

Resistance to pesticides for storage pests and houseflies is monitored by the Slough laboratory in collaboration with the Department of Agriculture and Fisheries for

Scotland and Ministry advisers. The pests covered include seven species of storage pests, houseflies in poultry houses and in intensive animal-rearing units, beetles in poultry houses and mites in cheese stores. Resistance to malathion has been demonstrated in one grain beetle and resistance to the fumigant phosphine occurs in stored grain beetles. Flies in animal houses developed resistance to a pyrethroid insecticide which was withdrawn, and the laboratory was instrumental in developing alternative controls. Mites in cheese stores are now resistant to available pesticides, and the Slough laboratory is investigating fumigation techniques to achieve control of pesticide-resistant cheese mites.

The hon. Member for Southwark and Bermondsey (Mr. Hughes) referred to resistance in rodents. Work on the extent and implications of anti-coagulant resistance in rodents has mostly been undertaken by the Ministry's agricultural science service, although some studies have been carried out in universities. Monitoring of the extent and incidence of resistance has also been carried out by the Ministry. Staff at the agricultural science service central laboratories are researching two methods of controlling anti-coagulant resistant rodents, alongside work to screen candidates for new rodenticides submitted by the pesticide manufacturers.

I hope that I have given hon. Members some idea of some of the programmes relating to resistance to pesticides. I should say to the hon. Member for Southwark and Bermondsey that the advisory committee already considers the problems of resistance to individual pesticides, and with the widening of its terms of reference as a result of this legislation, it will be given powers to examine the extent and implications of resistance to pesticides. Therefore, there is no need for the amendment. We are very conscious of the problem and are already devoting considerable resources to investigating and overcoming it.

Mr. John: I knew that, given a little encouragement, the Minister would give vent to the self-expression which was denied to us in her six-line answer in Committee. I am reassured by her comments on the work that is continuing, and especially by her confirmation that the widening of the terms of reference of the ACP will mean that its task of solving the problems will be far easier. Given her assurance that it is unnecessary, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr. John: I beg to move amendment No. 33, in page 17, line 34, at end insert—

'(10A) Within 12 months of the passing of this Act the Ministers shall jointly review the extent of and necessity for aerial spraying of pesticides and shall report to Parliament with proposals for reducing the use of this method of application.'.

Mr. Deputy Speaker: With this, it will be convenient to consider amendment No. 34, in page 17, line 34, at end insert—

'(10A) Within 12 months of the passing of this Act the Ministers shall jointly review the scope for improving techniques of pesticide application and for promoting integrated pest management and shall set out in a report to Parliament a strategy for reducing the use of pesticides to a minimum consistent with efficient food production.'.

Mr. John: The only connecting factor in the two amendments is the fact that they choose the same mechanism—a review by Ministers within 12 months of the passing of the Bill — to deal with two separate matters. The first is aerial spraying. Lest there be any misunderstanding, especially on the part of the hon. Member for Southwark and Bermondsey (Mr. Hughes), who challenged me on this point, I should say that some aerial spraying is necessary, for example, in difficult terrain. The spraying of upland bracken is extremely important, and spraying is important in controlling pests in forests. However, modern technology has already made it less necessary to use aerial spraying in the lowlands than it was some years ago. The development of low-pressure-tyre vehicles means that spraying can now be done by ground-based vehicles in conditions which would have been unthinkable a decade ago, and probably less. Therefore, to some extent, the need for aerial spraying in the lowlands has diminished.

We are asking for a report to be produced with a view to reducing aerial spraying to the minimum necessary. I should set out briefly to the House my reasons for asking for this limitation. One point that was voiced in Committee — it has been voiced by environmental groups and at public meetings—is the tremendous concern about aerial spraying, and about the involvement, accidental or otherwise, of people, animals and flora. There is unresolved public anxiety, which is not reassured by the often well-meaning statements that nothing can happen and that there is no real problem or danger. Many of those incidents are highly frightening and cause a great deal of emotion. We will not be reassured unless MAFF examines the working of the Act and aerial spraying, and reports to the House so that the matter can be publicly aired.

A second reason why the minimisation of aerial spraying should be undertaken — in Committee we considered a few fairly ropey forms of spraying—is that of all forms of spraying, it is probably the most inaccurate. I expect that many members of the Committee will have received a recent memo in which the Royal Society for the Protection of Birds reiterates its concern for areas that become affected, although those areas were not due to be sprayed. Two of the examples that it gives are SSSIs and ponds. Spray drift is a particular problem for aerial spraying. It is a problem in itself, and relates to the next reason why I believe that a report is necessary, which is that on occasions aerial contractors spray in unsuitable weather conditions. That climatic problem means that wider areas of land are affected than originally intended. The effect of that on the inhabitants of neighbouring properties is tremendous.

The third reason is that often such spraying is unannounced. The Minister will no doubt reassure me that a formula is laid down under which spraying visits are reported to the nearest police headquarters, and so on, but I ask her to accept the evidence, produced on an anecdotal but significant basis by hon. Members, which shows that in practice many people find aircraft spraying crops adjacent to their properties without having had the faintest idea that spraying was to take place that day or that low-flying aircraft would spray at or comparatively near to houses.

Mr. Campbell-Savours: Has my hon. Friend seen the report of Friends of the Earth, which has been circulated to hon. Members—copies have been sent to Ministers and to the Prime Minister—which sets out in detail the facts of a number of incidents that have taken place this

[Mr. Campbell-Savours]

year when people have not complied with the rules? Do they not show that there is a need to tighten up in this area where there is abuse by many aerial sprayers?

Mr. John: I have seen that report. I was going to refer to it both in that connection and in response to the riposte that the Government may feel obliged to make, which is that the number of incidents reported are small. I contend that there are many more incidents that those that are reported.

I shall return to the point relating to an unannounced visit, with an aircraft flying fairly low and unreasonably close to dwelling houses or other buildings. That has an affect on people. In a letter written to my hon. Friend the Member for South Shields (Dr. Clark) I noticed that it said that in Germany, for example, the intention of a contractor to spray aerially must be conveyed to both the police and the local authority. I hope that in the Bill we shall secure, among other things, much more effective communication about where aerial spraying will take place. Those are the reasons why the report is necessary within 12 months to reassure the public. It should be targeted towards the reduction of aerial spraying.

As I have said and as my hon. Friend the Member for Workington (Mr. Campbell-Savours) pointed out, the number of incidents reported is comparatively low. I believe that it bears only scant relationship to the number of incidents that occur. The Friends of The Earth report suggests that where the public are gathered together at a meeting there is immediate testimony to such incidents by many. That is of much greater significance than the number of reports suggest. That may be due partly to the complexity of the rules of reporting, and partly to a lack of knowledge about how to go about reporting and why it should be done.

5.15 pm

We must also take account of the feeling that the controls are not properly enforced. On 26 April in a Ministry press release I noticed a warning about pesticide spraying and the minimisation of risks. The warning is fairly prominently displayed and says:

"The CAA will prosecute and in serious cases revoke an operator's Aerial Application Certificate if its requirements are not observed."

Would that that were so. It does not seem to be the case, in view of the low number of prosecutions this decade —the average must be about three a year. Although that number started from a low base and has increased to six or seven a year, such a reminder is not likely to strike terror into the hearts of the aerial operators who may undertake the work.

There is a widespread belief among reputable people in the agriculture industry that the CAA does not carry out its duties in this case with the same degree of interest as it devotes to other duties. I ask the Minister to accept that that is the feeling of people in agriculture. That needs to be borne in mind when we consider the preparation of a report and the consideration of aerial spraying generally.

My fourth point is that any admission of departmental responsibility between the Department of Transport and MAFF is blurred. That was referred to on 16 April in Committee when the Minister, reminded of the fact that the Royal Commission on environmental pollution had already drawn attention to the matter, said that a review would be undertaken and a statement made about departmental responsiblity and the relationship between the Department of Transport and MAFF on this subject. Will she tell us when that review and statement can be expected because they are important?

I understand from the farming press that the review of clearances for aerial spraying has already been begun by the advisory committee on pesticides. Will she confirm that, and tell us when the committee is likely to complete its review? As aerial spraying is an important subject and a potentially damaging form of pesticide spraying we should like a separate report on it to consider the aspects of safety and dislocation for those living in the countryside, and to deal with the question of how to reduce that form of spraying to minimum.

Amendment No. 34 deals with the improvement of application technique. It is important and calls for a system of integrated test management. We alluded to it in part when we talked about resistance to pesticides, fungicides, and herbicides of present strains of produce, which will apply in future. We are committed—the Minister was good enough to confirm this—to the use in agriculture of the minimum amount of pesticides, consistent with the effective use of that pesticide to control pests on crops.

We need the most efficient and accurate techniques possible, and well maintained equipment. Those two things do not necessarily automatically follow. Sometimes we have good designs which a few farmers, wanting to reduce their costs, use long after the repair and maintenance of such equipment has been neglected. We sometimes have inefficient systems, which are not as modern as they can be. The result is that there is unnecessary spraying of pesticides.

There are two general methods of spraying which would yield a lower pesticide use—ultra-low volume or controlled droplet application. We examined these two methods in detail earlier, but I refer the Minister to an article in *Farmers Weekly* of 20 June about low volume spraying. The article claims that low volume spraying minimises the check to the crops that spraying inevitably gives them. It is calculated that the use of ultra-low volume spraying or controlled droplet application is equivalent to a 25 per cent. reduction in the use of the active ingredient in pesticides.

In a report from a conference which appeared in *Big Farm Weekly* an ADAS representative who is an entomologist said that one third of all insecticide sprays applied to cereals were a waste of money. That must give the farmer and outselves a great deal of food for thought. The representative described revenge spraying. That occurs when the cosmetic damage to the crops leads farmers to want to get rid of the pests merely for the sake of the crops' appearance rather than to improve the quality of the crop.

The Opposition call for an integrated pest control system. Apart from the techniques that we adopt in the spraying of pesticides, there are a number of other steps which would and should be taken, such as crop rotation, the timing of planting, soil management, the use of pest and disease resistant crop varieties and, most importantly, biological controls, which are a growing source of pest control.

Biological control, as a preventive measure, has been discussed in Committee and its most interesting use at present is in the glasshouse cultivation of salad crops. Dr.

Payne, and others, have been responsible for developments in that sector. In *Farmers Weekly* of 14 June there is an article about Doctor Lynch of the Glasshouse Crops Research Institute. He has pioneered techniques which include straw breakdown. The active microbes released through that process will form a pest control. That new development shows the importance of soil surveys in identifying where a turning-in of straw would provide maximum benefit and could be done safely and to the benefit of the soil. I commend to the Minister early-day motion 575 that I have tabled on that subject. It would be to the country's and the farmers' advantage to study it. It will be at least four years before those developments are commercially applicable and viable.

Mr. John Carlisle: The hon. Gentleman knows that the turning back of straw can create bacteria and soil-borne diseases which are detrimental to the crop. In some cases, a form of chemical application may be necessary to cure those very bugs—if I may use that term—which are engendered by keeping the straw rather than destroying it by burning.

Mr. John: Yes, I understand that, but that is the value of Dr. Lynch's research. It is important. The soil survey would be able to advise whether it would be beneficial to turn straw back or whether it would present the risks of which the hon. Gentleman speaks, in which case one would not expect it to be done.

There is likely to be a spin-off from the work of Dr. Payne and Dr. Lynch within the fairly near future not just for glasshouse crops but for outdoor crops. *Farmers Weekly* of 7 June talks about microbial techniques and the fact that Microbial Resources Ltd. has pioneered five pesticides based upon the biological method of control. We are talking about the many possibilities that there will be in the future for growing crops.

More importantly, there has been general unease about the use of pesticides on stored crops. That is a facet of the problem that the hon. Gentleman mentioned. The use of pesticides on stored crops can be a problem unless they are severely controlled. The use of insect hormones, which is being pioneered instead of pesticides, would provide a safer way of preserving the quality of stored crops.

In the research programme there are exciting possibilities for the biological rather than chemical control of pests. We are asking for an overall strategy, which combines healthy crops with the lowest possible input of chemical pesticides.

Amendments Nos. 33 and 34 call for the Government to study the results of the control of pesticides after the first year of the Act's operation and to return to Parliament with a report so that we can continue the debate which the Bill has stimulated and which has revealed a degree of unease about the use of chemical pesticides that the House ignores at its peril.

Mr. John Carlisle: The hon. Member for Pontypridd (Mr. John), in his usual charming way, has put forward two reasonably attractive amendments. He will, perhaps, forgive me if I concentrate on amendment No. 33. However, when he spoke about amendment No. 34 he expressed the hope of many within the industry that improved methods will be used and he is correct to point out that more research will need more funds. I believe that my hon. Friend the Minister will take note, and that every encouragement will be given to any such projects so that we might one day be able to move to biological rather than chemical answers to some of our problems for the majority of the time. I am sympathetic to what the hon. Gentleman said about amendment No. 34.

One is tempted to go over some of the ground that was extensively debated in Committee in relation to the proposals contained in amendment No. 33. I shall, however, try to confine my comments to the hon. Gentleman's remarks. I am not entirely attracted to that amendment because an instruction to the industry to reduce aerial spraying is creeping in. He correctly pointed out that with modern techniques and methods the need for aerial spraying is not as important as it was, but the "necessity" — I use his word — exists. It has been relevant over the past few days and weeks.

It does not need someone who knows much about agriculture to understand that ground conditions are now such that in many parts of the country the ground application of pesticides would be impossible. Judging by the conditions in the part of the world where I live, and on my farm, that will probably be impossible until we harvest the crop some time in August.

The House must not underestimate the tremendous boost and bonus that aerial spraying has brought to crops. Our food production system is efficient and good and we are able to enjoy remarkable cereal crops partly because aerial spraying is available and has been used sensibly by the industry in the last few years.

5.30 pm

I do not want the message to go from the House to the industry that we are intent on reducing aerial spraying so that one day a Government, of whatever colour, might consider legislating to ban it. That would be a sad day. I was pleased with the Opposition's stance in Committee when they said that they would never go down that road. I hope that if they ever become the Government—God forbid—they will remain of that opinion.

I shall deal with some of the arguments by the hon. Member for Pontypridd. He talked about public anxiety. He is right to say that a low-flying aircraft can be frightening, particularly if notice has not been given. However, Opposition Members and some of my hon. Friends agree that scare stories are often put about. Many allegations are unfounded, but just because the number of prosecutions is small does not mean that instances have not occurred.

I was disturbed when the hon. Member for Pontypridd implied that he did not believe the figures. All allegations are investigated thoroughly. The public easily become anxious and there is talk of scaremongering. The reports from the public are no more than allegations. They are always investigated and are often unfounded. However, I acknowledge the anxiety about aerial spraying. It is a dangerous occupation, not only for the pilot but for people on the ground.

Mr. Campbell-Savours: The hon. Member for Luton, North (Mr. Carlisle) seems to be trying to minimise the dangers and value of reported incidents. Is he saying that the report by the Friends of the Earth is irrelevant? Is he saying that most of the allegations are empty and do not reflect what happens? Does he understand that only with difficulty can a private citizen successfully secure a prosecution? Will he address himself to that problem?

Mr. Carlisle: Of course I have seen the report. I do not minimise the dangers or the allegations. The hon. Member

[Mr. Carlisle]

for Workington (Mr. Campbell-Savours) will have seen the figures put out by the British Agrochemicals Association and the Ministry of Agriculture, Fisheries and Food, which show that a large number of allegations are found to be unjustified after investigation. That is not to say that members of the public are not expressing an anxiety that anyone would express after seeing a low-flying aircraft near or over his house. Anyone would be anxious about what would happen if he came in the path of the spray. I am saying that not every allegation is found to be justified after investigation.

Accuracy is important. The industry is concerned about it, if only because of the cost of the chemicals. It would be foolish for any farmer or grower to spray a crop in a strong wind — this cannot be done under the code of conduct — because he would probably spray his neighbour's crop instead of his own. The code of conduct lays down strict rules so that no spraying can take place when the wind is above a certain speed. Some drift could occur, but the 200 ft recommendation solves the problem of spray drift, which the hon. Member for Pontypridd over-emphasised.

The hon. Member argued for more effective communication. Most hon. Members would support him in that, as would most people in the industry. The debates on the Floor of the House today and in Committee will have informed the trade that the public needs to be told what is happening. The trade has already responded. It fully realises that the public must be told where spraying is to take place and that it has a duty to people who live in the area. The point has been well taken.

In general, we must be careful not to discourage the aerial spraying industry, which is engaged in an expensive and necessary operation. It is necessary, not only for the large areas of cereal crops in the East Anglia region which I represent but, as the hon. Member said, in the Highlands and overseas. If we lost the technique of aerial spraying and the ability to spray, food production would suffer. The message must go from the House that aerial spraying should continue under the strictest control and with cognisance of the public's anxiety. I do not think that it is the duty of any Government to give instructions to the industry. It will sort itself out in its own way. The market should take its own course. If aerial spraying proves to be an impossible operation for farmers because of its expense or practicalities it will go away. I believe that aerial spraying will be with us for a long time and that it will be of great benefit to agriculture and the community.

Mr. Kenneth Carlisle (Lincoln): I have great sympathy with the two amendments. A reduction in serial spraying is necessary. First, it is necessary to assist conservation. A reduction in aerial spraying will improve our efforts to conserve wild life. Secondly, a reduction in aerial spraying would be welcomed by the public, which regards it as a nuisance. Many people have suffered from it. Thirdly, a reduction in aerial spraying will not be detrimental to farming. We have the techniques to ensure that we can, regardless of the weather, put pesticides on to the crops at the right time.

We must accept that aerial spraying inevitably leads to drift. However skilled the operator, it is almost impossible to avoid some drift in any conditions. It is almost impossible to avoid the spray drifting over hedgerows and into neighbouring areas. There is a clear need for greater controls because the damage that aerial spraying does under any conditions cannot be denied.

There are fewer arguments for aerial spraying than there used to be. We discussed in Committee new developments such as low-pressure tyres which can travel over heavy clay lands, even when they are wet. The tramline system enables a vehicle to go even into an oilseed rape crop. As a farmer growing oilseed rape a few years ago, I had to use aerial spraying at certain times of the year. Those days are gone because we have developed other techniques and machines which can spray crops from the ground. We do not now have the technical need for aerial spraying. Now that we have advanced, aerial spraying should be used only in exceptional circumstances. I doubt whether the Civil Aviation Authority has the right methods to control area spraying. Perhaps in a year's time, under the review, we should look for a system of licences to be issued by the Ministry of Agriculture, Fisheries and Food for those exceptional cases where aerial spraying will take place because other techniques do not exist.

I welcome amendment No. 34. Without any doubt the great increase in the use of chemicals in the countryside has led to increasing damage to the wildlife and to the conservation of our natural heritage. We must put far greater emphasis on the use of techniques and sprays that will minimise this damage.

My hon. Friend the Minister gave a helpful answer during Question Time the other day that explained how the Government are attempting to explore techniques for the better application of sprays. I welcome that but I think we must go further. It is essential that the sprays we use are far more specific. They should attack the problem and should not affect other insects and weeds that are harmless. We need equipment that is more accurate and ensures that the sprays affect only the area that needs spraying and do not drift and vaporise.

I welcome the fact that the amendment advocates integrated pest management. A good example of such management is the research being undertaken by the Game Conservancy. Under this research 6 m is left round the hedgerows which is unsprayed either by pesticides or herbicides. This has had a beneficial effect on the numbers of insects which survive as well as butterflies and hence on birdlife. Indeed it has had a beneficial effect on the whole of wildlife. The evidence shows that yields have not been affected if the system is managed well. This is a good example of integrated pest management without any loss of agricultural production. I ask the Minister to support the scheme and to consider other ways in which we can seek a balance between agriculture and conservation. To achieve this it would be necessary to publish from time to time our findings and our strategy. It is one thing to have vague aspirations but quite another to set down what we have accomplished, what our intentions are and how we are to achieve the goal of a balance between agriculture and conservation.

I hope that the Minister will look with sympathy on these two amendments. I cannot see how they will harm agricultural production and within them are the seeds of benefit.

Mr. Campbell-Savours: This is the more controversial part of the Bill, and we spent some time in Committee discussing these matters. It is the part of the Bill on which the public's expectations of Parliament are highest.

We are grateful to Friends of the Earth for its work to identify cases that have been reported to the authorities and those cases that were not. Even as late as today a Mrs. Simmonds contacted Friends of the Earth from Henfield in Sussex because of her concern over aerial spraying which took place this morning in her area. Also today a Mrs. Judy Holder from Totnes, Devon, contacted Friends of the Earth because a helicopter was spraying right over her farmhouse. Friends of the Earth has given me a copy of a letter from Mrs. Slade of Romney Marsh in Kent. She wrote:

"Only last Thursday I was working in the fields when a spray plane suddenly appeared and proceeded to spray the adjacent fields. Luckily the wind was blowing away from me and when I went home it was spraying the fields around our house. The plane was turning right overhead. I was not informed that spraying would take place. I don't know what they were using, there was no smell whatsoever."

The point is that the public do not know what is happening and they are frightened. They are looking to Parliament to deal with this matter. The hon. Member for Luton, North (Mr. Carlisle) was speaking to the House as though there was no problem.

Mr. Carlisle: I did not say that.

5.45 pm

Mr. Campbell-Savours: It is a great problem. I have a copy of the early-day motion which I tabled last year along with two of my hon. Friends and other hon. Members. I believe that about 50 to 60 Conservative Members, along with almost the whole of the Labour Party and a few alliance Members, signed the motion. Two hundred and thirty four Members signed the motion calling for

"an effective ban on the aerial spraying of certain arable crops and additionally of specified products and progress towards the introduction of a more effective means of pesticide application: further urges the Government to adopt such a programme as a matter of urgency."

Two hundred and thirty four Members expressed concern about aerial spraying. The Minister should recognise the concern of those who signed the early-day motion and ensure that adequate safeguards are provided in the regulations that are to be published in due course.

Friends of the Earth has produced other information. It appears that in April a farmer sprayed the corner of a Mr. Martin Potter's garden with what the farmer described as a "deadly poison bug killer". That is the statement that was made by a constituent of an hon. Member. I accept that he might have exaggerated what took place, but that is what he said. The fact is that that individual did not know what was happening, and that is what the argument is all about. People do not know what they are being sprayed with because they are given inadequate information.

A Mrs. Betty Clarke of Birchington near Thanet contacted Friends of the Earth in April. She explained that she and a neighbour had suffered seven days of wheezing, swollen glands and bleary eyes as a result of crop spray. I accept that the cause may not have been crop spray, but it may have been. Many people—*[Interruption.]* If the hon. Member for Luton, North (Mr. Carlisle) wishes to intervene, I shall be glad to let him do so. Many people find it difficult to establish what has happened. They see an aeroplane and watch it spraying within the vicinity. Afterwards, they are taken ill and they assume that there is a connection between aerial spraying and their illness. If there is a connection, it is often too late to establish it.

The parliamentary private secretary to the Minister of Agriculture, Fisheries and Food, the hon. Member for Gloucestershire, West (Mr. Marland), knows that I have a letter from one of his constituents in which a complaint is made about a spraying incident in his constituency. It is only parliamentary protocol and good manners that prevent me from reading the letter to the House. The hon. Gentleman's constituent states in her letter that she made representations to her Member of Parliament and describes the action that was taken as a result of the representations.

The public are extremely concerned and they look to Parliament to take action. I have a series of letters—I shall not recite them all — which refer to spraying incidents, and it is clear that Parliament is expected to respond to the public's anxiety. Environmental groups such as the Soil Association and Friends of the Earth want a ban to be imposed on aerial spraying of farmland. They say that continued aerial spraying should be permissible only by a special permit for bracken control and forestry purposes.

Although aerial spraying involves only about 2 per cent. of British pesticide application, it has led to an extremely large number of pollution incidents. Much of the problem is due to spray drift. Some incidents are due to the failure of pilots to observe adequate precautions.

In Britain, aerial spraying is controlled by the Civil Aviation Authority under the Department of Transport, so it is distanced from the Ministry and the Department of the Environment. This division of responsibilities may go some way to explaining the problems over the control of aerial spraying in the past.

During the process of listening to the groups that came to us to refer not only to aerial spraying but to other aspects of pesticide legislation, I was told repeatedly that division of responsibility between the Departments was creating confusion, and my hon. Friend the Member for South Shields (Dr. Clark) commented at length on this in Committee. Division of responsibility has created difficulties in pesticide control.

The National Society for Clean Air is concerned that the notification procedure that should be followed under CAA control has been widely ignored, and I have referred to cases illustrating that point, Mr. Chairman.

Mr. Deputy Speaker: Order. The hon. Gentleman means Mr. Deputy Speaker.

Mr. Campbell-Savours: Having spent so much time on the Standing Committee of the Finance Bill, I have become used to referring to the person in the Chair as Mr. Chairman. I apologise.

The notification procedure has been widely ignored and, as a result, local residents, schools, beekeepers, hospitals and market gardeners have been unable to take precautionary measures against spray drift.

Pesticides sprayed from the air include a number that are sufficiently toxic to be covered by the 1972 poisons rules or the Health and Safety Executive's poisonous substances regulations requiring special clothing for operators, such as rubber gauntlets and respirators, as the pesticides have such a high acute toxicity. As the pre-notification system has failed in so many instances, it is

[Mr. Campbell-Savours]

possible for incidents to occur in which people are sprayed directly by a poisonous substance. They are not wearing rubber gauntlets, respirators or special clothing. They simply do not know what will happen and they have to put up with the results of this abuse.

There is considerable feeling both inside and outside Parliament that the Government do not go far enough in controlling the use of aircraft for the release of pesticides. The public needs to be assured that Ministers have the power to regulate or stop the more distressing features of aerial spraying. The Royal Commission on environmental pollution has called for stricter controls on aerial spraying and the British Crop Protection Council has recommended that it be used in only a few cases.

The amount of spraying could be more effectively controlled if the number of sprays that could be used from the air were reduced. Insecticides applied from the air could be drastically reduced in number because of the increasing success of integrated pest management schemes which utilise only minimal ground application of insecticides in the control of many insect pests.

Research could also be undertaken into the conservation of spray released into the air. There is a need for more rational consideration of the insect target in relation to droplet size and formulation, a point to which the hon. Member for Luton, North referred and on which we agree. Target behaviour is largely unknown and needs to be studied because of the large payoff in spray effectiveness. There is also an urgent need for a scientific analysis of the behaviour of smaller spray droplets to take advantage of their large potential for reducing pollution and costs and providing an understanding and control of drift.

As it stands, the Bill does not give the Ministry of Agriculture, Fisheries and Food new powers over aerial spray. The ambiguity about whether pesticide regulations cover aircraft, the confusion over this Bill, the large number of spraying incidents connected with this type of spray and the widespread concern that the CAA does not exercise sufficient disciplinary control together provide a strong case for clarifying the extent of, and necessity for, aerial spraying.

Mr. John Carlisle *rose——*

Mr. Campbell-Savours: I should like to give way to the hon. Gentleman, but it is nearly 6 o'clock and I believe we intend to give the Bill a Third Reading by 7 o'clock.

Sir John Farr: I welcome these amendments, which are both interesting and well worth consideration. Amendment No. 34 is a good amendment. We are all anxious to see farming problems controlled without the excessive use of pesticide. I shall speak to amendment No. 33, which concerns aerial spraying. The hon. Member for South Shields (Dr. Clark) served a useful purpose in promoting this matter for debate. There are grounds for concern, and it is no use saying that there are not. Some people have behaved badly and affected many people in rural areas, villages, hamlets and isolated houses by their lack of respect for whatever code of practice may exist.

We discussed a similar amendment in Committee and my hon. Friend the Parliamentary Secretary said that the CAA, which controls the performance of aerial spraying, had established much tighter controls and that the regulations would be made available to the House. I hope that my hon. Friend will follow this up. I recognise the need for aerial spraying most of the time, and particularly in weather like this. Nevertheless, the practice badly lacks some good public relations. All neighbours must be informed before aerial spraying takes place. Spraying should be not less than 100 yd from the outside boundary of the area that is being sprayed. Spray should not go within 200 yd of villages and hamlets, as they do in my constituency. However careful one is, and however still the day, there is always a risk of some spray drift affecting a neighbour's property.

I welcome these amendments. I hope that my hon. Friend the Parliamentary Secretary can give some idea of the acreage that is sprayed every year. I reinforce my belief that while we need aerial spraying, there must be a strict code of conduct. People who have not complied with the code of practice are bringing all the aerial spraying industry into disrespect. Therefore, I support the amendments.

Mr. Simon Hughes: I also support the amendments. It is unnecessary to elaborate the concern rightly expressed by the hon. Member for Harborough (Sir J. Farr) and others. The Bill gives us an opportunity to put down a marker saying that, rather than allow uncontrolled expansion of this practice, we shall change direction. I welcome the fact that the Government have accepted that. However, we need also to make sure that progress in that direction is continued.

I read the Committee debates on the subject. My view has always been that certain areas such as those quoted by the hon. Member for Pontypridd (Mr. John) need aerial spraying. The hon. Gentleman and my hon. Friend the Member for Ceredigion and Pembroke, North (Mr. Howells) had an exchange about marginal hill land in Wales. I know that in areas of Snowdonia and the Brecons one cannot gain access to the hillside to spray by other methods. However, for reasons that have been clearly advanced we should be moving towards the principle that aerial spraying is the exception rather than the rule.

Amendment No. 33 is a simple and straightforward amendment to ensure that there is a process of monitoring movement in that direction. It is a well tried and tested device used by the House to make sure that Ministries are responsible to us and report back on the progress that is made. Only if one sets a direction can one, over time, cause production and agricultural machinery and techniques to be adapted to move in that direction. That is why the amendment is important. We do not want the Bill to set a signal that is not followed on by consistent review to ensure that spraying is reduced rather than increased and that the methods and efficiency and accuracy of spraying is improved.

Mr. John Carlisle: Did the hon. Gentleman or any of his colleagues in the alliance sign the early-day motion in the name of the hon. Member for Workington (Mr. Campbell-Savours) calling for an effective ban on aerial spraying?

Mr. Hughes: My recollection is that several alliance Members did sign it, because we are seeking to reduce the amount of aerial spraying. Some of them signed it, but not all. I think that the hon. Member for Luton, North (Mr. Carlisle) was saying that there is great pressure, as exemplified by the signatures on that motion, from within

the House and from people who have written to most hon. Members here and in the other place for a move in this direction.

Mr. Campbell-Savours: I am sorry to say it, but it was with great difficulty that I secured the support of some of the hon. Gentleman's hon. Friends and that some members of the alliance did not support the motion.

6 pm

Mr. Hughes: I cannot enter into a discussion of the reluctance or lack of it to sign the motion. All I know is that during discussions at an early stage between at least one of my colleagues, myself and the hon. Member for Workington, there was an agreement to support that move from the beginning. I know that there was full co-operation from one of my hon. Friends, who is not here today, but who liaises with me on a regular basis. Therefore, in that respect there was enthusiasm and co-operation as opposed to reluctance.

People from different backgrounds and with different jobs will have different views. My hon. Friend the Member for Ceredigion and Pembroke, North, who served on the Committee, is a farmer and has seen the need for and practised aerial spraying on difficult farming terrain. I have not said that spraying should not take place, and my support for the amendment is on the basis that it signals a move to reduce and curtail, except when necessary, aerial spraying for all the reasons that have been advanced.

Mr. John Carlisle: It is important that the House should know whether the alliance supports, as is said in the early-day motion:

"an effective ban on . . . aerial spraying".

The impression given by the alliance spokesman in Committee was that, for the reason the hon. Gentleman has put forward, spraying should be available to the hilllands and lowlands of Wales. The hon. Gentleman's answer to that point could be of particular relevance to a certain by-election that is taking place in a few days.

Mr. Hughes: The answer has no more relevance to the by-election in Brecon and Radnor than to any other part of the country where aerial spraying is carried out. Since 1967 the Liberal party has sought effective controls on spraying, and it has regularly passed motions to that effect at its assemblies. The motion to which there were signatories from the alliance called for effective control of spraying. It did not say there should be no control; rather that such control should be better. There will be exceptions, and those were canvassed in Committee.

The early-day motion seeks effective control of aerial spraying. That is a view that my hon. Friends unanimously support. It does not mean that aerial spraying should be discontinued if it is impossible to spray by other means. The geography of Britain would make that a ludicrous position, and we have not adopted it.

The other amendment states that there should be a review so that we can ensure that there is integrated pest management. We have seen failures as a result of contradictory methods of pest management in the past. I do not blame the Department for that, or those who have used those different methods. The amendment requires that we look at the application of pesticides.

My hon. Friend the Member for Yeovil (Mr. Ashdown) has similar concerns about other amendments. This is a continuing process. We are continuing to improve the mechanism and are learning by experience.

The only way of ensuring that a Department does what the amendment requests is to make sure that a review is presented to Parliament in the same way as Royal Commissions present their reports through Ministers to Parliament. In that way we can ensure progress along the line that the Bill intends. That will ensure that intention becomes reality.

I hope that the Minister will reassure us that what is sought by both amendments, supported by Members on both sides of the House, will be responded to positively by the Government. I hope that the Government will report back to the House so that we have the information on which to evaluate the effectiveness of this legislation.

Mrs. Fenner: As the Bill has proceeded through Parliament, a great deal of time has been spent discussing aerial spraying — in the other place, during Second Reading, in Committee and again this evening. On the whole, our discussions have been expressive of the concern that we all feel—that this area of pesticide use should be properly regulated. As a result, I feel that we have made progress in our considerations of this issue and I am grateful to all who have contributed.

Let me sum up the Government's position. We are very aware of the irritation and, indeed, distress that can be caused by spray drift from aerial applications. We are sensitive to the concerns and fears of those who live in rural areas and who feel themselves to be at risk from what can be, when it occurs, a gross nuisance. However, there is another side to the coin, and we should not forget it.

The hon. Member for Pontypridd (Mr. John) made it clear that he is not talking about a ban on aerial spraying, and my hon. Friend the Member for Luton, North (Mr. Carlisle) has put the case for aerial spraying. Many aerial spraying contractors in this country are very aware of their responsibilities to the community and take great care to spray safely. What we have to do, as legislators, is to find a balance — to achieve a situation in which the aerial application of pesticides may continue to be used as an important tool of agriculture and forestry, but without endangering people or the environment.

In earlier debates I have described the ways in which the CAA's control last autumn has been tightened up in respect of distances from houses and roads and the threat of prosecution if operators do not distribute proper notification that aerial sparying is to take place. In response to points put to me in Committee, I have already asked the Advisory Committee on Pesticides to review the list of chemicals cleared for application from the air, and as a result of the concerns expressed in Committee, we have initiated a review of departmental responsibilities in controlling aerial spraying. We expect that in the autumn, because the results of that review will influence our proposals for implementing regulations later this year.

I have also explained that we see the controls provided by this legislation complementing those exerted by the CAA. In particular, it will become a criminal offence to spray from the air any chemical that does not appear on the permitted list. I recognise that some may argue that still further controls may be necessary. I respect their point of view, and to them I say that this Bill provides ample powers for Ministers, by regulations, to place any additional controls on aerial spraying that may, from time to time, be considered necessary. Precisely what controls may be necessary will be discussed in detail in our consultations on the regulations, and we will welcome the

[Mrs. Fenner]

views and advice of all those with an interest in the aerial application of pesticides. As we shall be returning to Parliament with our draft regulations within the time envisaged by this amendment, I cannot see the need for a specific requirement to report on this in 12 months' time. I therefore ask the House to reject the amendment, which is unnecessary, given that we shall come before the House within the time specified.

Mr. John: The hon. Lady misunderstands the anxiety on both sides of the House. Regulations will be legalistic. They will reveal the Government's thinking, but not the state of knowledge that has led to that thinking. We would be happier if she could give an undertaking that she will make available the latest results of the CAA investigations into aerial spraying incidents. With respect, it is not sufficient to say that the regulations will take the place of the information and discussion that we want.

Mrs. Fenner: I tried to reassure the hon. Gentleman that the draft regulations, which will come before the House within the time during which he would like a report, will give an indication, being the result of consultations, of the review of departmental responsibilities and of any views expressed to us about the aerial application of pesticides. I was asked for information about the tightening up process of the CAA. I will see that a copy of it is placed in the Library.

Amendment No. 34 does not take enough account of the work that the Government already support and finance on techniques of pesticide application and integrated pest management. Furthermore, it implies that the Government's other actions—such as this legislation—have nothing to do with our declared policy of reducing pesticide use to the minimum, consistent with efficient food production.

With the Agriculture and Food Research Council, ADAs has been in the forefront of the development of integrated pest control in the United Kingdom. Programmes based on parasites, predators, selective pesticides and fungal pathogens have been developed to control the major pests of cucumbers and tomatoes, and these techniques are being used on 70 per cent. of cucumbers and 40 per cent. of tomatoes.

We have also developed a supervised control programme for apples, involving close monitoring of the crop and selective, rather than calendar, spraying. Other integrated control programmes are available for the control of potato cyst menatode, the major pest of potatoes. The PSPS has already cleared a number of biological pesticides and an insect virus. Our work at the Boxworth experimental farm to investigate the effects on the flora and fauna of pesticides used on cereals includes an area of cereals under an integrated control system for evaluation. Currently, we have 31 separate commissions with AFRC for integrated control research.

In collaboration with the National Institute of Agricultural Engineering, my Department is investigating the design of field sprayers and the control of spray rates, an issue which particularly concerns my hon. Friend the Member for Lincoln (Mr. Carlisle). Work is going on to identify the physical factors which affect the formation, transport and deposition of spray droplets and to quantify how these factors affect spray deposit and spray drift.

Information from the analytical and laboratory studies of the design and development of field spraying equipment is made available to engineers for the design of equipment. My Department publishes an annual report on our research and development work which is available from the Stationery Office.

As I said at the beginning of my reply, the legislation in part III of the Bill is a major part of our strategy to ensure pesticide usage consistent with efficient food production.

Mr. Cambell-Savours: In the light of all the complaints that hon. Members have received——

Mr. John Carlisle: All the complaints?

Mr. Cambell-Savours: I have not read the whole list, but it is clear that innumerable complaints are received daily by Friends of the Earth. In view of that, will the Minister give an undertaking that when the regulations are introduced, she will, in effect, be setting up a regime on aerial spraying of pesticides which will effectively end what is happening now? That would give some assurance to hundreds of thousands of people who live in rural areas of Britain and who are looking to the Minister for reassurances to relieve them of their concerns about the future.

6.15 pm

Mrs. Fenner: I reiterate that we are concerned about some aerial spraying and that we believe that it should be regulated. I said that the regulations would come before the House in 12 months' time. For that reason, I said, the amendment was not necessary.

We shall continue to give a high priority to the work that the Government are supporting into alternative and improved methods of pest control. I do not, therefore, see the need for a special report to Parliament on this aspect of pesticide policy, as the whole purpose of the Bill is to support our strategy to ensure pesticide usage consistent with efficient food production. I hope, therefore, that the amendment will be withdrawn.

Mr. John: I was disappointed with the Parliamentary Secretary's reply. While the House is anxious not to go over ground that was trodden in Committee, there are certain aspects that we must consider. For example, there is the question of regulations as against a report, for which the amendment calls.

I would describe regulations as legislative icebergs; they are what emerge into the public's gaze, not the totality of what occurs in their production. About five sixths of the consideration that goes into the framing of legislation never becomes known outside the conferences with advisers about which the Minister will know well.

On subjects of this nature, however, I should have thought that there was every virtue not only in making the regulations known—with their necessarily exact and spare use of English to make them legally enforceable—but for making known to the House, by means of an explanatory memorandum or by some other means, exactly what information impelled the Government to take the course of tabling regulations.

If the Minister would be prepared to do that, we would be reassured about the Government's intentions. I therefore ask the Parliamentary Secretary to accept amendment No. 34 on an integrated strategy for pest

control. I have heard much about what is going on in specific projects, but nothing about an overall strategy, whereas we are asking for such a strategy.

Unless the Parliamentary Secretary can, by way of regulations in respect of the aerial spraying issue, reassure the public, their anxiety will not go away. The Government may avoid parliamentary bother—in that they will not have to produce an explanatory memorandum and explain why a hundred and one cases are not apposite or borne out by the facts—but in so doing they will be building up anxiety that many people feel about aerial spraying, either through incidents of which they are aware or of which neighbours have told them.

That anxiety will not disappear if the Government avoid dealing with it now. Thus, when the regulations are being published, I urge the Minister to publish at the same time an explanatory memorandum setting out an analysis of the incidents that have occurred and her conclusions on them.

Amendment negatived.

Mrs. Fenner: I beg to move amendment No. 35, in page 17, line 38, leave out from 'of' to 'or' in line 41 and insert

'controlling pesticides in the United Kingdom'

During our examination in Committee of clause 15(11) the Opposition expressed concern that its present wording may not enable us to collect the information that we need to determine whether an approval should be reviewed, revoked or suspended. I agreed to consider this and, as a result, have decided that this amendment would be appropriate. Although short, it leaves no doubt that the power to require information may be exercised at all stages of pesticide supply and use controlled by part III, so that Ministers can exercise those controls properly. It therefore ensures that the Minister can have both information to approve and information to revoke or suspend pesticides, as the Opposition requested.

Mr. Simon Hughes: I welcome the amendment. We are looking at words that effectively limit the provision to controlling pesticides in the United Kingdom. Page 18 of the Bill refers to complying with international obligations. Do we consider at this stage our obligation with respect to the export of pesticides, which may not be governed simply by our international obligations? I know that these are matters of convention. We are making certain provisions with respect to information from manufacturers and users of pesticides in the United Kingdom. Are we referring also to information that will be available when we export pesticides?

This is one of the underlying issues of the debate. We are ensuring that we do not include within pesticides for export properties that are undesirable, unacceptable or dangerous and which we would not allow to be used here. Will it be possible to deal with that issue in this clause, or will it be dealt with elsewhere?

Mrs. Fenner: We have adequate powers under the 1939 Act to deal with all pesticides for export.

Amendment agreed to.

Amendments made: No. 37, in page 18, line 42, leave out 'or preparation' and insert ', preparation or organism'.

No. 38, in page 19, line 1, leave out from 'for' to 'and' in line 5 and insert 'destroying any pest;'.

No. 39, page 19, line 11, leave out 'or preparation' and insert ', preparation or organism'.—*[Mrs. Fenner.]*

Clause 16

FEES

Amendments made: No. 40, in page 19, line 24, leave out from 'pesticide' to 'tests' in line 29 and insert

'under this Part of this Act, on making his application, to pay a reasonable fee in respect of the administrative expenses of processing his application

(2) A Minister may also require an applicant for an approval to pay a further reasonablee fee towards the expenses of carrying out any examinations and.'

No. 41, in page 19, line 32, at end insert—

'(2A) Where either of the Ministers has given an approval, he may require the payment of reasonable fees from time to time—

(a) in respect of the collection of information under section 15(11) above and the processing of information supplied under that subsection,

(b) in respect of monitoring the effect of the use of pesticides in the United Kingdom,

by such persons as he considers appropriate

(2B) Fees under this section shall be determined on principles settled by the Ministers with the consent of the Treasury and after consultation with organisations appearing to the Ministers to represent persons who are likely to apply for approvals.' *[Mrs. Fenner.]*

Clause 17

ENFORCEMENT POWERS

Mr. Simon Hughes: I beg to move amendment No. 59, in page 19, line 37, after 'Ministers', insert 'or a local authority',

Mr. Speaker: With this it will be convenient to take amendment No. 60, in clause 22, page 25, line 10, at end insert—

'"local authority" means—

(a) in England and Wales, the council of a district or a London borough, the Common Council of the City of London, the Sub-Treasurer of the Inner Temple and the Under Treasurer of the Middle Temple; and

(b) in Scotland, and islands or district council;'.

Mr. Hughes: This amendment has been tabled by my hon. Friends the Members for Ceredigion and Pembroke, North (Mr. Howells), for Yeovil (Mr. Ashdown) and myself. It relates to the enforcement by local authorities of the powers that are provided for in clause 17. As drafted, the Bill provides:

"Either of the Ministers may authorise any person . . . to enforce this Part of this Act".

The other place has debated how much power this provision gives the Government to delegate to for example, local authorities so that they can undertake the enforcement role. I should like the Parliamentary Secretary to reconsider the practical reasons for specifying that officers of local authorities should be given this job. I hope that she will take in good part the good reasons why my colleagues and I believe that they should be given this job.

There is a strong case for environmental health officers—each local authority has several of these—taking on the role of enforcement in relation to pesticides. I should like to put out of the way the suggestion that this could be done by trading standards officers. That red herring came up at an earlier stage of the debate, and I want to dispose of it. Trading standards officers are the people who go around Sainsburys to ascertain whether the weight of the cheese is specified correctly. I am concerned about those

[Mr. Hughes]

officers who are more ready to put on their wellington boots and tread out into the mire to deal with matters away from their offices and urban areas.

Environmental health officers are specifically well equipped to do this job. Indeed, they are necessary if the Parliamentary Secretary is serious about wanting to enforce this legislation. There are between 4,000 and 6,000 environmental health officers in Britain. The Minister said in Committee that this compares with only about 160 inspectors in the Government's agricultural safety inspectorate. The original memorandum to the Bill said that, because of increased work on pesticides, another 18 staff at the Health and Safety Inspectorate and 10 at the Ministry would be required. The Minister said that about 14 of the 18 extra HSE staff would be additional agricultural inspectors. I do not believe that 14 or 18 extra staff will make much difference. Compare a possible 4,000, 5,000 or 6,000 people having the power to do this job with the 160 staff presently in post, to which would be added a mere 14 or 18 extra staff. I would opt for giving these powers specifically to the army of environmental health officers, numbering thousands rather than tens.

I do not know the number of people in the pesticides branch of MAFF, but I believe that officials at Whitehall place—the Parliamentary Secretary's headquarters—are not likely to be dealing with enforcement on the ground. I hope that the Parliamentary Secretary accepts that they will be dealing with the monitoring of information and the efficacy of the regulations. A pathetic number of people employed by the Ministry will be doing the enforcing. The Government have already accepted that they are setting a great task. They have conceded that the number of inspectors is relevant. The fact that they are increasing the staff by 14 clearly shows that they have conceded that it is important to have more inspectors. It follows that 4,000 will be more effective than 14.

If there are doubts—I share those doubts, although I would be delighted to be proved wrong — about the political will of the Ministry of Agriculture, Fisheries and Food to enforce this legislation effectively, I would prefer the power of enforcement to be dispersed to others. One would not then be entirely reliant on the political will of the Parliamentary Secretary's Department, with all the pressures placed on her from other Departments. We have had debates about giving the Ministry an environmental over-duty. This idea was strongly resisted in debates on the Bill introduced by the hon. Member for South Shields (Dr. Clark) to amend the Wildlife and Countryside Act 1981. The Government said that they were not willing to take it on because all Departments had a responsibility to look after wildlife, the countryside and the environment and that it would be wrong to allow one Department to be the lead Department. It would be much better to allow all local authorities to have the same responsibility. I trust that there would be greater effectiveness of enforcement in that case than if only one Department were involved.

To have the Minister decide the priorities of enforcement is clearly not as good—this is no criticism of the Parliamentary Secretary—as having a wide range of local authorities deciding enforcement priorities, given their personnel and resources. Different local authorities in different parts of Britain will have different priorities in terms of the enforcement of pesticide legislation. It depends on the farming, the nature of the terrain and all sorts of things. Therefore, it could be seen, by comparing one with the other, which were the most successful authorities, and the Ministry would have benefit of that experience.

6.30 pm

There is also the argument, which my hon. Friend and I always advance, that we believe in strengthening local authorities as against Government Departments. It is an important principle of democratic control that one gives the power to enforce legislation to the people nearest to the ground. That argument for decentralisation applies in this case even though one is depending upon the information coming from research, whether it is the Ministry's research or independent research carried out in the universities.

Many local authorities are keen to have these powers of enforcement. They know their areas. Many officers live and are brought up in the areas. The best information comes directly from the area. People are more likely to go to the local environmental health officer, the local town hall or the county hall than they are to write to Whitehall, so that the Whitehall machinery would seldom be called upon to deal with these issues.

As a complementary point, environmental health officers in local authorities are likely to be, as they should be, more responsive to local pressure and concerns because they are in the front line. It would seem illogical for people who go to them on what is clearly an environmental health matter to be told, "I am sorry, we are not the front line agency for dealing with this."

Whatever the case, it is true that the Ministry is more suited to deal with major problems and national incidents, given all its resources. The Ministry should not have to deal on every level in every farm, field, district and county with the various issues that crop up every day.

It may also be the case that the Ministry officials, as they are bound by duty to do, start from being pro-farmer rather than pro-environment. They rightly have a duty, because it is their task to ensure that there is an effective agriculture industry, to take into account the concerns of those involved in the industry. It is better that these issues should be looked at with the eye of those who are interested in the environment—the farmer, farm worker, employee, farm resident, rural resident and countryside user. The Ministry has to consider agricultural production and agriculture from its position, but environmental matters should be dealt with by people who have a responsibility for the environment.

I think that the Minister would agree that environmental health departments and officers are keen to do the job. All the information that I have been given suggests that they are ready and willing. For the Government to hold close to their chest, in a quiet closed department of 14 or 18 officers, the task of doing this job when there is a great army saying, "Please give us this work, we want to help you," seems an ungenerous attitude. I know that the Minister can be generous, and I look to her to give away the workload with which her officials would otherwise be lumbered if she does not accept my arguments.

I anticipate the Minister saying that to accept the amendment would be inconsistent with the format of the rest of the Bill, which is concerned with establishing structure. The Minister promised us regulations in 12 months, by which I hope she meant within 12 months. The regulations will give us the teeth to fit the mouth of the

Bill. I accept that local authorities get little mention in the Bill. That is to be regretted because it reflects a rather centralist view of what can be an effective Bill at all levels. The most effective Bill will be one that allows local authorities to play their part. The debate in the other place included the statement with which I began, that clause 17 gives the Government sufficient powers to authorise local authority officers to carry out this job.

I have put the arguments and by way of summary of the arguments, I ask the Minister to give a commitment that the Government will authorise, as from the date of the enactment of the legislation or within a short period thereafter, local authority environmental health officers to carry out this job. The Wildlife and Countryside Act 1981 was on the right lines, but was found to be defective because the resources were not available to make it effective. If we are endeavouring to protect the environment, we should avail ourselves of resources where they are available.

The Bill is welcome, but let us hear the Minister make the commitment to give those who wish to do the job the power to enforce the legislation.

Mrs. Fenner: I thank the hon. Member for Southwark and Bermondsey (Mr. Hughes) for moving the amendment, which I cannot accept.

The purpose of the Bill is not to give local authorities powers in the control of pesticides. As he rightly pointed out, it is the tool to ensure that Ministers have all the powers they need to effect such control. Before we could give local authorities such power, we would need to consult them and all other interests involved about that proposal. Indeed, we had a consultation meeting with the Association of Local Authorities last week. It is fair to say that on that occasion no clear new area of activity for local authorities was identified that would justify the amendment.

It may reassure the House to know that Ministers can authorise local authority officers or local authorities as legal persons to undertake an enforcement role. We believe that they will have a part to play in the enforcement of the legislation in future, particularly in relation to pesticide residues. However, that is still some time in the future, and we will be consulting at the appropriate time.

The hon. Gentleman raised the question of the number of people in the field. As he rightly pointed out, in the Health and Safety Executive there is an agricultural inspectorate of 160. Of the new additional staff quoted in the Bill, two of the London staff will be in the field on wildlife. In the Health and Safety Executive, of the 18 there will be 12 additional inspectors. That is the number requested by the executive to carry out the additional work involved, although there already exists an agricultural inspectorate of 160. I therefore hope that the hon. Gentleman will withdraw the amendment.

Mr. Simon Hughes: The figures that the Minister has given confirm my fears. She did not give the specific commitment for which I asked, that the Government would authorise local authorities. I must therefore request that we should hear the Government refuse to accept the amendments rather than that I should withdraw them.

Amendment negatived.

Amendments made: No. 42, in page 20, line 4, after 'being', insert 'or has been'.

No. 43, in page 20, line 10, after 'being', insert 'or has been'.

No. 44, in page 21, line 5, leave out subsection (8). —*[Mrs. Fenner.]*

Clause 22

INTERPRETATION

Amendments made: No. 45, in page 24, line 23, at end insert—

'"escape" is to be construed in accordance with section 1(2) above;'.

No. 46, in page 25, line 23, at end insert '"pest",'. —*[Mrs. Fenner.]*

Clause 23

NORTHERN IRELAND

Amendments made: No. 47, in page 26, line 39, after '(k)', insert '(*Codes of practice*),'.

No. 48, in page 26, line 42, after 'each', insert 'or either'.

No. 49, in page 27, line 6, at end insert—

'and

(*f*) Section (*Codes of practice*) (4)(*a*) is omitted'.

No. 50, in page 27, line 12, after 'them', insert ', other than the reference in section *[Enforcement of Conventions]* (1) above,'.

No. 51, in page 27, line 28, at end insert 'and Schedule 5 to this Act'. —*[Mrs. Fenner.]*

Schedule 5

THE ADVISORY COMMITTEE

Mr. Ashdown: I beg to move amendment No. 52, in page 36, line 5, at end insert—

'(1A.) The Ministers shall, in their appointment of persons as members of the committee, have regard to the general purposes of Part III of this Act, mentioned in section 15(1) above, and review annually the range of expertise required for those purposes.'.

The purpose of this amendment is to ask the Government to pay regard to the aims of the Bill, as outlined in clause 15(1). We have used the words "have regard" so that the Government may think carefully about the composition of the Advisory Committee on Pesticides. The Bill sets out the Government's aims which lie at the heart of the Bill, but it lacks any specific indication of the Government's intentions. They will probably be included in the regulations. The Government have resisted giving a date for the publication of the regulations which will put into effect the laudable aims of clause 15(1).

However, we are concerned about a lacuna in the Bill. We want the ACP to be able to put into effect the general aims of clause 15(1). Many believe that the first aim of the Government was to protect not the public but the industry. The mechanism of the pesticides safety precautions scheme has broken down because of the import of cheap pesticides, so we want the Government to fulfil its aims. In the absence of regulations we need to be reassured that the general purpose of clause 15(1) will be fulfilled.

The composition of the ACP is vital. Will it carry out the Government's intentions? To use the words of clause 15(1), will it provide

"The continuous development of means—(*a*) to protect the health of human beings, . . . (*b*) to safeguard the environment; and (*c*) to secure safe, efficient and humane methods of controlling pests."?

The composition of the committee does not reassure us. Many organisations, including the Royal Society for the

[Mr. Ashdown]

Protection of Birds, believe that the committee's expertise is insufficient to protect wildlife, but I wish to concentrate upon human health, one of the aims of clause 15(1).

Five of the 10 full members of the committee are doctors. However, three of them are pathologists whose expertise relates not to the living but to the dead. The other two doctors are academics. None of the ACP members is currently concerned with the care of living patients. The medical expertise that is available on the advisory panels is related more to the dissection of dead rats on laboratory tables than to dealing with people. It is a pejorative term, but in the medical profession they fall into the category that is roughly known—I use the word "roughly" in both senses of the word—as rat doctors.

6.45 pm

This may have been appropriate in the past. The PSPS was concerned primarily with the clearance of pesticides before use, on the basis of animal test data, rather than with monitoring their effect upon human beings after use. However, the monitoring of the effect of pesticides on human beings is one of the main aims of the Bill. Continuous monitoring after use is part of its purpose. If the Minister is serious about protecting human beings on a continuous basis and about safeguarding the environment, should not more emphasis be placed upon monitoring pesticides by the ACP? Will its composition change to take account of what she seeks to achieve? If monitoring is to take place, where will the expertise be found? It will not be found in the ACP. There should be doctors on the committee who have practical experience of dealing with patients, not with dead rats on the laboratory table. If the Government are serious about providing protection, a true clinical toxicologist, with practical experience of caring for people who have been poisoned, should be appointed to the committee. There is no substitute for such expertise. If the Minister can assure us that the constitution of the ACP will be suitably amended, we may reconsider this amendment, even though we should like it to be incorporated in the Bill.

Paraquat is a well-known substance for which there is no antidote. Since its introduction, there have been 331 deaths. Those people died in a uniformly horrible way. Some of them, though not necessarily all, died by their own hand. This substance ought to be reconsidered because of its effects upon human beings rather than upon weeds.

The Black committee investigated the possible increase in the number of deaths in Cumbria from cancer because of Yorkshire Television's allegations about a disproportionately large number of children in the Sellafield area with leukaemia. The numbers were low but the ratio was high. The allegations were taken seriously and led to the appointment of a committee whose report has now been published. The results were largely inconclusive, but the committee said that further research was needed. In reaching those important conclusions the Black committee had the help of two epidemiologists. Is it not precisely this kind of work, relating not to radiation but to pesticides and similar chemicals, upon which the ACP should provide advice? Yet there is no epidemiologist on the committee. The hon. Member for Holland with Boston (Mr. Body) referred earlier to thalidomide, which had been tested on rats before it was brought into general use. Later it was proved to be dangerous to human beings. That danger would have been established if an epidemiologist had served on the committee.

Today I received a press release from Friends of the Earth which calls for a ban on the sale or use of all pesticides containing the chemical Ioxynil. There is evidence to support the theory that it causes a certain number of birth defects. That is unproven, but should not the ACP advise on just such a claim? How could it provide advice if none of its members has the appropriate medical qualifications to form a reasonable judgment? This is not a fanciful point. The suspicion that the high incidence of cancer in farm workers is caused by pesticides is being investigated by the Medical Research Council. Should not the ACP be able to investigate that allegation, too? If the Government wish the health of human beings to be protected on a continuous basis, the ACP must be provided with the necessary means.

The Bill will have little effect if it becomes an instrument for the continuous clearance of pesticides before use by the study of dead rats instead of monitoring pesticides in use by examining their effect upon living human beings. We ask that the ACP be restructured to take account of the changed needs that result from this Bill and we welcome that change. If the Minister were to accept this extremely limited amendment, it would make sure that in future the ACP reflected, at least in some measure, the Government's concern. This amendment does no more than give effect to that wish, which we hope the Government share. I hope that the Minister will feel able to accept it and commend it to the House.

Mrs. Fenner: I am grateful to the hon. Member for his explanation. I hope that he will forgive me if I respond rather predictably by saying that we cannot accept the amendment because it is unnecessary, since clause 15(7), which enables Ministers to establish an advisory committee, makes it absolutely clear that the area of activity of the committee and indeed the reason for its existence are the general purpose of part III of the Bill. That being so, I can assure the House that this Government at least—I venture to say, any Government—would not consider making any appointment to the ACP without having regard to the general purposes of this legislation.

The hon. Member made some astonishing comments about the members of the ACP. Professor Kilpatrick, the chairman, is concerned with living patients, as is Professor Berry, the chairman of the scientific sub-committee, whose expertise also includes carcinogenicity and teratogenicity. I remind him that pathologists are not solely concerned with the dead but are also greatly concerned with diagnosis of ailments in the living.

As for the future, I have already said that we shall be reviewing the structure and composition of the ACP and the sub-committee and panels that assist it in the light of the changes which the legislation will bring. We have already had some preliminary discussions with the committee on the implications of extending the pesticides screening system to cover efficacy and humaneness as well as safety, and we are looking at ways of benefiting from user and supplier experience by giving those groups access to formal advisory panels.

I should, however, make it clear that it is our firm intention to invite the present chairman and members of the Advisory Committee on Pesticides to serve on the statutory committee, and I very much hope that they will

agree to do so. This Government and preceding Governments are greatly indebted to the advisory committee and its scientific sub-committee for their meticulous assessment of the risks attached to the use of pesticides and for the sound and unbiased advice that they have given us over many years. That the general public do not always realise just how well they have been protected is a fault of communication on our side, and I am glad to take this opportunity to express our appreciation of the considerable service which the advisory committee provides.

Mr. Ashdown: I am extremely disappointed with the Minister's answer. The phrase that I used—and I have it noted down — was: "None of the ACP members is concerned currently with the care of living patients." There is no provision for a clinical toxicologist or an epidemiologist on the committee.

Mrs. Fenner: I am getting some more advice, and I would like to reassure the hon. Gentleman. Professor Knowelden, who is an ACP member, is an epidemiologist.

Mr. Ashdown: I am looking in her answer to me of 12 February 1985 for the name of the learned professor to whom the Minister now refers. Perhaps this is something which has changed since I asked the question, but that was my understanding. In any event, there is not on the ACP at the moment a clinical toxicologist, even if an epidemiologist has now been put on it.

The Minister has not given the assurances that we have sought in order to ensure that the balance of the committee is corrected. I make no criticism of those who serve on the committee or of the way in which they have served it in the past. I think that the Minister is absolutely right to identify them as people who have shown diligence and care. The point that we make is that the committee needs to be changed so as to reflect the changed nature of its job as a result of this legislation.

I am disappointed that the Minister felt unable to give a stronger assurance along those lines, and I must ask the House to consider this matter a bit more seriously.

Amendment negatived.

Title

Amendments made: No. 53, in line 4, leave out 'a release' and insert 'an escape'.

No. 54, in line 7, after 'sea', insert

'to make provision for the control of the deposit of substances and articles under the sea-bed;'.

No. 55, in line 8, leave out 'and preparations' and insert ', preparations and organisms'.—*[Mrs. Fenner.]*

Order for Third Reading read [Queen's and Prince of Wales's Consent, on behalf of the Crown, signified.]

Motion made, and Question proposed, That the Bill be now read the Third time.

6.57 pm

Mrs. Fenner: Now that we are coming to the end of our debates on this Bill I should like, before I go into the specific points raised, to express my appreciation and that of my hon. Friend the Minister of State for the way in which hon. Members have responded to these proposals.

There have been many questions and amendments, some probing the Government's intentions, others seeking to modify or extend one provision or another. But the most striking feature throughout our debates has been the desire shown on all sides of the House to make this a better Bill and to ensure that it deals adequately with the problems which might arise.

I am glad to say that there has been considerable interest in the the subject matter of the three parts of the Bill and equally widespread support for the principles they contain, which shows that the Government were right to bring forward this legislation now. The result is, indeed, a much clearer Bill than the one we started with three months ago.

Part I has been generally welcomed by hon. Members on both sides of the House, but there have been a number of areas of concern which I think we have gone a long way to resolve during its passage. However, we must remember to keep these concerns in perspective. The powers provided by part I would be used only in exceptional circumstances to ensure the safety of food following an escape or release of harmful substances. To give some idea of the exceptional circumstances, we can envisage only one or two occasions in the past 30 years when they might have been activated.

In part II there are now two major additions to the area controlled by the Dumping at Sea Act 1974 — marine incineration and deposits under the seabed. The Bill substantially broadens the range of factors which Ministers must take into account when licensing deposits and places a specific duty on them to consider the availability of other methods of disposal. It provides for recovery of the cost of monitoring and enforcement work and for consultation with those who will be paying the new fees. It also re-enacts a provision on procedures for the enforcement of the international dumping conventions, whose original omission led, entirely innocently, to some misunderstanding, which has now been removed.

There is one very important general point which arose at our previous sitting on which I must set the record straight. This is the assertion that the United Kingdom is the greatest contributor to pollution of the North sea. The facts are quite otherwise, and I would recommend the hon. Member for South Shields (Dr. Clark) to take a closer look at the Royal Commission on environmental pollution's 10th report, which he quoted the other day. This report examined the whole range of pollution issues and included a substantial section on the North sea. It naturally reviewed United Kingdom policy and practice on dumping at sea and I must emphasise that it did not recommend any change in our controls.

What the report did was to review the scientific evidence. It showed that the main sources of contaminants were the atmosphere and rivers, of which the Elbe, the Rhine and the Meuse were the major contributors. It showed that disposal of sewage sludge and dumping of other wastes accounted for only a tiny percentage — about 3 per cent. — of the heavy metals. The report noted that the effects of contaminants were most pronounced in estuaries and coastal waters. It quoted the Thames as the most notable example of recent improvement and the Wadden sea as an area of particular concern.

The Royal Commission concluded that there was no substantial threat to the North sea, although more research was needed, and recommended that the United Kingdom should respond positively to international initiatives. That is exactly what we have done. It is quite clear from the Royal Commission report that the United Kingdom is not

[Mrs. Fenner]

the major polluter of the North sea; indeed this country has a good record which, on the state of rivers in particular, contrasts favourably with that of some of our neighbours.

Part III of the Bill has occupied a good deal of our time. We are fortunate in having had the pesticides safety precautions scheme as a stepping stone to part III. That non-statutory scheme has evolved over the years into an effective screening system for the safety of pesticides coming on to the United Kingdom market. But I have no doubt that it was right to seek to replace it with a statute. It was not simply that the restrictive agreement necessary to prevent unlicensed imports was attracting the attention of Brussels — much more fundamentally, with the current priority that is given to health and environmental questions in public debate, the absence of statutory powers left the scheme without the necessary muscle to impose the controls required.

In our debates we have been able to explain in some detail the good work already done under the PSPS, the working party on pesticide residues, BASIS, the wildlife incident investigation scheme, and so forth, and we have given assurances that that will continue and develop. We have also been able to explain our ideas on how the Bill should be implemented. Finally, but certainly not least, we have been able to hear the views of the House.

But it has also been equally important for us to hear the views of hon. Members on the future detailed controls to be laid down in regulations. We have taken very careful note of all these views and will take account of them in our consultation paper on the implementation of part III. We shall send a copy of the paper to all right hon. and hon. Members who have spoken in the debates and to any others who request it, as well as to all interested organisations, and we shall allow ample time for comment before we prepare the regulations.

Finally, I should like to emphasise the extent of my Department's commitment to conservation of the countryside and other environmental matters, as witnessed by our concrete achievements. Through ADAS, for example, we advise farmers on how they can build conservation into their farming practices. Under our capital grant schemes, we give particular emphasis to environmentally sympathetic farming operations by paying premium rates. In co-operation with the Countryside Commission, we are operating an experimental scheme designed to help safeguard the unique landscape of the grazing marshes in the broads. And, following the successful efforts of my right hon. Friend to persuade his colleagues in Brussels to include a suitable provision in the agricultural structures regulation, we are now preparing a special scheme to promote environmentally sympathetic farming practices in designated sensitive areas. I commend the improvements to environmental protection in this Bill, to take a worthy place in that list of achievements.

7.2 pm

Dr. David Clark (South Shields): I join the Minister in welcoming the Bill in principle. It is much improved on the Bill that entered the other place many months ago. It spent a long time in Committee, but I do not think that anyone who served on that Committee would deny that it was anything but workmanlike. We graciously acknowledge that the Government were prepared to accept a number of points argued by the Opposition. In a sense, the Bill marks the end of an era. Parliament has recognised the feeling in the country that something should be done about pesticides, and we commend the Government's approach.

The whole basis of the Bill, especially part III, will be the regulations. We appreciate the Minister's offer that Members of Parliament and others will be consulted about the regulations. As they cannot be amended, it is vital that there is maximum consultation with interested parties. It is by the regulations that the Government's intent will be judged.

A number of markers about the regulations should be put down immediately. The first arises out of the Minister's television appearance on 11 June. I hope that when the Bill is implemented the EEC will confirm that the regulations about residues will be adhered to. We understand that to be the Government's position and hope that that will be enacted in the Bill.

We are especially concerned about 2,4,5-T. I do not want to labour the point, but I hope that the Minister will take the Egan incident into account. That case was reported in the *Daily Mirror* on 13 June and, tragically, involved the termination of a pregnancy. In the mind of the gynaecologist, that was linked with 2,4,5-T.

Thirdly, the regulations must take into account the pesticides and chemicals that are regarded as not suitable for use, but are nevertheless sold. I am especially thinking of DDT. We must acknowledge the point made by hon. Members on both sides of the House that the Friends of the Earth has done a great deal of work in that respect. It has brought out examples which, perhaps, have surprised bureaucracy and surprised us, but we are all the better for knowing about them. I hope that the Government will give an assurance that, under the regulations, it will be illegal to sell pesticides that have been withdrawn.

I wish to mention also Dieldrin and heron deaths in the river Avon area. We are receiving a great deal of information that pesticides that have been withdrawn are still being sold. We expect the Government to take steps to prevent that. Therefore, we await the regulations with a great deal of interest.

We do not wish to disagree to any great extent with the Minister about part II, but my reading of the Royal Commission report is considerably different from hers. Part II replaces the Dumping at Sea Act 1974. It tightens the licensing system. We hope and look for Government action on that aspect.

It may be right that, overall, atmospheric and river pollution adds greatly to the pollution within the oceans, but it is in localities and where the concentrations are greatest that the greatest damage is caused. I sent a document to the Minister's hon. Friend earlier this week which has been compiled by the fishermen of Cullercoats and South Shields. It shows that the dumping that takes place between five and 12 miles off the river Tyne has reduced the catches of fishermen in my constituency by 90 per cent. in 15 years. It is their view that that is due to the fact that chemicals are dumped from Teesport off the river Tyne, and we cannot accept that. I give that merely as an example of the Government action that we expect under Part II to deal with concentrations of dumping.

We hope that we have converted the Government and the Ministry of Agriculture, Fisheries and Food on environmental matters. It is a pity that we could not convert them several weeks ago when we were discussing the Wildlife and Countryside (Amendment) Bill. We very

much welcome the Government's efforts on Halvergate marshes. I wonder whether they will give us the same commitment with Swaveney fens, which are about to be drained with the help of almost £500,000 of Government grant. Many of us do not regard it as satisfactory only to protect small isolated parts of the countryside. We are not happy with having only isolated SSSIs. We want to keep the living rural environment, not just a sterile cereal area. I would welcome a Government statement on that—if not today, in the near future.

However, I do not wish to end my speech on that note because we have debated a constructive and worthwhile Bill. The key factor is the regulations, and we shall be watching the Government's actions on them with great interest. In principle, we welcome the Bill.

7.10 pm

Sir John Farr: I congratulate my hon. Friend the Minister on piloting the Bill through Committee and the two and a half days on Report.

It is a unique Bill in many respects. It replaces the pesticides safety protection scheme, and I hope that the new scheme will work half as well as the old one did. An exceptional feature of the Bill are the many statutory instruments that will be brought before the House for debate. Hon. Members on both sides of the House will await those instruments anxiously. We may even have a chance to debate a draft statutory instrument before the final statutory instrument is laid before the House. The Bill is unique because so much of it has yet to be decided.

I hope that there will be a statutory instrument relating to part I, to set up a compensation fund for any destruction of crops or produce that may be ordered, whether or not there has been pollution. The flaw in the Bill is that it is desperately unfair that small producers, small merchants and small growers should suffer from an order to destroy their crops even when no pollution has occurred. I hope that the Government will introduce a statutory instrument to correct that anomaly. Apart from that flaw, I warmly welcome the Bill.

7.12 pm

Mr. Simon Hughes: I too, welcome the Bill. It is the lot of Opposition spokesmen to welcome legislation when the country is better off with that legislation than without it, but it is also their lot to say that the Government should have done more. I shall attempt to strike that balance.

The Liberal party has called for legislation on this subject since 1967. It has taken 18 years to get a response. That is slow, but it is never too late to protect our environment and food from hazards. I hope that the Bill is not a token gesture or an outline, which will not be followed by regulations. We shall watch carefully what the Ministry of Agriculture, Fisheries and Food does during the next 12 months. The hon. Member for Harborough (Sir J. Farr) said that regulations will be laid before the House. I hope that that will be sooner rather than later and that they will supply the teeth that the Bill needs.

It worries me that insufficient powers and resources have been allocated to make the Bill effective. If the Government are to honour their commitment, they will have to produce more manpower and resources to ensure that the pollution dangers are overcome. We do not want a repeat of the Wildlife and Countryside Act 1981, which did not have sufficient enforcement resources. We watched as, remorselessly, year after year, more of our countryside and wildlife was destroyed. However, we were not powerless to act. The Wildlife and Countryside (Amendment) Bill introduced by the hon. Member for South Shields (Dr. Clark) is welcome and respected, and will enable us to do something about the problems. Let us not make the same mistakes again.

It is clear that research is proceeding apace. As the results of research into the effects on health of spraying pesticides become available and researchers have produced more evidence, Parliament may have to respond again, either specifically and quickly or more generally. With increased knowledge of those processes, the Government must be prepared to introduce legislation. I hope that we shall review and debate the matter on a regular basis.

Some of us are unhappy with the presumption in favour of freedom of information that the Government selected for the Bill. I and many others believe that they have not gone far enough. We should go as far as other countries have, and I hope that the Government will soon realise that they have nothing to fear by allowing people to know what is happening. Only Governments who are afraid, in countries which are not normally democracies, close their doors, batten down the hatches and prevent the widest public participation. I hope that there will be no veto by commerce, bureaucrats or Ministers on the information that everyone has a right to know relating to pesticides and environmental pollution.

I pay tribute to my colleagues in the other place, especially to my noble Friend Lord Mackie of Benshie, who worked hard on the Bill. I also pay tribute to all those in many parties who have improved the Bill during its passage through the House. The Minister accepts that it has been improved.

However, looking ahead, I hope that we can improve the legislation in another respect. Although we are establishing a framework for protecting food, improving the control of pollution and preventing unlicensed dumping and regulating the supply and use of pesticides in Britain, we have still not taken up our responsibilities for the Third world. Western Europe exports more than 60 per cent. of the pesticides that it produces to the Third world. If we export them without protection, we export pollution and damage to countries that do not have the knowledge that we have, and that look to us to protect them from the mistakes that we have made. I hope that we shall do more in the future to ensure that the highest standards of control of exports are applied and that we never export products that we are unwilling to use ourselves.

With those reservations, I welcome the Bill and look forward to the introduction of regulations soon.

7.17 pm

Mr. John Carlisle: I shall make the shortest speech ever on a Third reading. I apologise to my hon. Friend the Minister for not being here for her opening remarks. I fully support the Bill. The Committee stage was an interesting experience for most of us. The trade has learned from experience, and from the words of hon. Members, including the hon. Member for Workington (Mr. Campbell-Savours), who had altercations with me on various aspects of the Bill. The trade has listened with great interest to what he said and to the anxieties that were expressed by hon. Members on both sides of the House.

[Mr. John Carlisle]

The United Kingdom Agricultural Supply Trade Association is especially delighted by my hon. Friend's appreciation of the BASIS scheme. The trade understands that BASIS is a necessary policing part of the Bill and of the entire industry. We have made some worthwhile contributions on a fairly delicate subject, and agriculture will be the better for the remarks that were made here and in Committee.

Question put and agreed to.

Bill read the Third time, and passed, with amendments.

Northern Ireland Act 1974

7.19 pm

The Secretary of State for Northern Ireland (Mr. Douglas Hurd): I beg to move,

That the draft Northern Ireland Act 1974 (Interim Period Extension) Order 1985, which was laid before this House on 4th June, be approved.

I ask the House this evening to renew the provisions by which a number of Governments have administered Northern Ireland for more than a decade. These powers are unusually wide compared with those of other Ministers. I do not mean to rehearse how and why direct rule was imposed because that might be to blow on embers which are perhaps best left to cool. But I need to answer the reasonable question why today for the eleventh time a Secretary of State comes to this Dispatch Box to ask the House that direct rule be continued. It is certainly not because the Government wish to retain the full powers which my colleagues and I now exercise. The record shows otherwise. All my predecessors have tried to find ways of divesting themselves of many of those powers to elected representatives of the people of Northern Ireland. Neither they nor I desire to continue to take those decisions, many of which are detailed, which are better taken within the Province about, for example, education, housing and industrial development.

The reason why these almost continuous efforts to devolve power have not so far succeeded are familiar to the House. They are essentially the same reasons for which on other occasions we have asked the House to make special provisions for special efforts to establish the security and maintain the economy of the Province. We are wholly and rightly committed to maintaining the status of Northern Ireland as part of the United Kingdom so long as a majority of the people there so wish. I see no prospect of the majority changing their views on that matter, but the majority community live city by city, town by town, county by county alongside a minority community, and the future of the two communities is inextricably linked. There is no new line to be drawn, and no ingenious new arrangement which could be devised to separate their futures.

In many aspects of life that causes few problems. Recently, I visited a thriving factory in an area which has been deeply troubled. There members of the two communities work side by side in complete harmony, so far as I can see. Any Member of the House who visits Northern Ireland for more than an hour or two with a reasonably open mind will know that that is a commonplace experience. In many aspects of human activity there is no difficulty whatever. No one who saw the people of Belfast welcome Barry McGuigan can doubt that fact. But that harmony does not extend into political life or into the search among politicians for institutions which would enable the two communities to form some kind of partnership in the formation or administration of policy.

In the Northern Ireland Act 1982 Parliament laid down that any system for the devolution of powers must command "widespread acceptance". That was defined in the preceding White Paper as meaning acceptability to both sides of the community. That must be right, and not merely as an expression of political philosophy or idealism. Simple majority rule, as in the past, would leave

the minority in perpetual opposition and would not in practice lead to a stable society. A system which did not command such widespread acceptance would simply not survive. Let us make a practical test. If I were to come to the House and propose a new constitutional system for Northern Ireland, and if I then had to add, "By the way, I have to tell the House that this new system will be boycotted or otherwise rejected by the constitutional representatives of one or the other community," I would be laughed out of court, and rightly so. The common sense of hon. Members would lead them to ask, "What on earth is the point of that?" The search for acceptance must continue, and I shall say more about that in a minute. Meanwhile, direct rule must continue.

The Parliament of the United Kingdom cannot shirk its duty to provide good government for Northern Ireland. Direct rule is a firm and fair framework, and in many ways we should be proud of it. However, it is right that hon. Members should have a regular opportunity to reflect their views on the state of affairs in Northern Ireland, which is far from satisfactory, and to suggest how it might be improved. Therefore, I should give the House a brief but wide-ranging account of our stewardship. The House does not have many opportunities to debate Northern Ireland in general terms, and this is an occasion which we should seize.

I make no apology for saying again that for the Government security policy must come first. Certainly there is a link, as I have often been told, between security and politics, but no accommodation is possible with the killers. We must drain the support on which the killers depend, but the terrorist paramilitary organisations must be defeated by a robust security policy. I shall say more about that policy when we debate the renewal of the Northern Ireland (Emergency Provisions) Act 1978 later this evening, but the essence is simple. We want people in Northern Ireland to be able to go about their everyday pursuits free from the fear of violence.

The security forces have made substantial progress in recent years in bringing that about. Their skill, patience and bravery call for our gratitude and, more important to them, for our help and co-operation. All of us, especially those of us in public life, have a duty to help in that way. Neither the Government nor the House can be satisfied while terrorists are able to carry out brutal murders such as those of recent years and, indeed, of recent weeks. We must continue to speak out and bring to justice those who have committed these crimes, and to do all that we can to deny them money, weapons, recruits and explosives. That means doing many things, including intensifying co-operation with the Republic of Ireland. No one who knows the facts about security in the Province and who is serious about improving the present position can deny the need for intensified co-operation. The security forces will continue to work impartially within the law to prevent violence. Meanwhile, it is important that a bomb in Newry or in a village in Fermanagh should be regarded by the House as being as important as a bomb in the Rubens hotel because the suffering which can result from it is as great.

Violence flaws Ireland's image abroad. It deters investors whose talents and resources are needed to complement the inventiveness and skilled application of our people in Northern Ireland. Unemployment, as I come across it week by week, is just under 21 per cent. across the Province and much higher in some areas, and it is a tragic problem. We must understand the personal frustration and waste of talent which it causes. But output, investment and the number of people in employment are rising. A record number of new jobs is being created in small businesses as the business climate improves. Shorts, our largest manufacturing employer, has won important orders recently from the Royal Air Force, the United States air force and China. The shipyard Harland and Wolff has a full immediate order book, although much work is needed to improve its finances. There is a battery of special employment training measures for adults and young people. Since 1982 Northern Ireland has had a two-year youth training programme — well ahead of Great Britain.

Regarding the economy, it is necessary, but not enough, to spend money to mitigate our difficulties. It is not in Northern Ireland's interests to become increasingly dependent on public funds any more than it is in the nation's interests as a whole. That dependence today is somewhat too high. We must therefore work to encourage wealth-creating enterprise and industry. I should like to see an expanding private sector in Northern Ireland because I do not believe that Northern Ireland is exempt from the lessons and experiences of other democratic countries. I am sure that an expanding private sector is the best foundation for prosperity.

If Northern Ireland is to improve its security and prosper, it must develop links with our closest neighbours and further afield.

The Republic of Ireland is a member, with us, of the European Community. It is a country with which Northern Ireland shares the same island, and with which it shares many common interests and a common security threat. A significant part of the community in Northern Ireland wishes to see fuller recognition of its Irish identity and to see it reflected in the conduct of relations between the United Kingdom and the Republic. This, as the two Heads of Government agreed at Chequers, must be respected, as must the wish of the majority in Northern Ireland to retain its British identity and to remain a part of the United Kingdom.

We have maintained a dialogue with the Irish Government. Its basis was clearly spelt out in a communiqué issued after the Chequers summit last November. In particular, my right hon. Friend the Prime Minister and the Taoiseach agreed that the identities of the majority and the minority communities in Northern Ireland should be recognised, respected and reflected in the structures and processes of Northern Ireland in ways acceptable to both communities. They reaffirmed that the constitutional position of Northern Ireland as part of the United Kingdom would not be changed without the consent of the majority in Northern Ireland. That was a reaffirmation by both Governments, not just by ours.

There has been speculation recently — I make no complaint about that — about the talks which are going on between the British and Irish Governments. Hon. Members would not expect me to reveal details of discussions which, by their nature, must for the time being remain confidential. The talks are a serious attempt by the two Governments to develop relations within the framework set out in the summit communiqué. The Irish Government have a legitimate interest in what goes on in Northern Ireland, especially in those matters which affect the minority community. We do not know the outcome of the present discussions, or whether they will succeed. If an acceptable basis can be found within the terms of last

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November's communiqué and within the terms of what was then said by my right hon. Friend the Prime Minister for deepening our relationship with the Irish Republic, it will benefit both communities in Northern Ireland and relations between the two Governments, but it will not be a substitute for developing a sense of partnership within Northern Ireland or for seeking arrangements, in consultation with our political parties, for the better administration of the province.

Mr. Barry Porter (Wirral, South): I accept that the Government of the Republic have an interest in Northern Ireland, but will my right hon. Friend define what he means by "legitimate"?

Mr. Hurd: It is natural that Ministers in the south should, as they do from time to time, feel and express views about what happens in the north. My predecessors and I have differed from other hon. Members and some elected representatives in the Province on that point. However, I have already stated the conclusions that the Government have reached on it.

I have said that, whatever happens to the discussions between London and Dublin about the external track, it will not be a substitute for the search for political and constitutional progress inside Northern Ireland.

Mr. Robert Maclennan (Caithness and Sutherland): Before the Secretary of State leaves the external track, will he tell us what progress has been made with the United States Administration in recent months, in particular within the context of the treaty arrangements, and to what extent they can contribute to a reduction in threats to security?

Mr. Hurd: They have, and I have no complaints to make about the degree of co-operation that we have from the present United States Administration; the supplementary treaty to which the hon. Gentleman referred is the latest valuable example of that. It is not just a matter for the Administration. It is a matter for those people in the United States who feel an obligation to do something to help in Northern Ireland. They have too often in the past been tempted to discharge what they see as that obligation by making contributions which go into IRA funds.

I hope that we have made some progress—during my visit there a few months ago I tried to urge this forward—towards showing that that is a thoroughly dangerous and wicked way of proceeding, and that there are plenty of legitimate ways in which Americans with ties in Ireland can help the progress of the economies and societies of both parts of the island.

Rev. Ian Paisley (Antrim, North): Will the Secretary of State spell out in detail how he feels the southern Government should make representations on behalf of Northern Ireland citizens who find themselves in a minority in the north of Ireland, on the political, constitutional issue? Does he believe that the Ministers of the Dublin Republican Government should have access to him to represent those people and make representations on their behalf? Have they not political representatives elected to this House and elsewhere to make those representations on their behalf? Why should Ministers of a foreign Government have that opportunity over and above that available to other citizens of the United Kingdom?

Mr. Hurd: Those Ministers have that opportunity now. They will continue to have it unless I were to take a line which I believe most people would regard as strange—that neither I, the Foreign Secretary nor the Prime Minister should meet representatives of the Irish Republic. Such meetings occur and we read about one another's remarks in the newspapers. Those opportunities exist and are taken. The question is whether the present system is satisfactory and whether it can be improved. That is what the discussions are about.

I shall now deal with political developments in Northern Ireland. Since taking up office in September last year, I have taken on the task which my predecessor had of trying to determine which form of government would command the widest level of acceptance and respect in Northern Ireland.

I began to explore with the leaders of the main constitutional political parties the more tolerant tone and recognition of the interests of others which was clearly evident in policy documents published earlier last year. I encouraged them to consider among themselves how they might build on these expressions of intent in a practical way. Recognising the difficulties of negotiating in public, I favoured private, informal discussions without commitment. I am grateful for the way in which the party leaders responded to that and for the frankness which they showed. There were some indications, although tentative, I must confess, first from one then another, that they might be prepared to inch forward. Early this year, the prospect of the May district council elections froze even that slight willingness to move.

Before the campaigning started in earnest, I asked my hon. Friend the Member for Bath (Mr. Patten), the Under-Secretary, to talk to each of the parties away from the glare of publicity to establish more precisely the extent of any common ground and their differences. The results of his conversations redefined and clarified the positions. I am now better placed to decide how to take matters forward.

In considering how best we can make progress, I have to take account of the results of the district council elections on 15 May and to assess their impact and long-term effect on Northern Ireland's political life. As in previous elections, about 60 per cent. of the electorate voted for parties supporting the Union. They used the free elections system which are traditional in the Province to reaffirm support for the Union without ambiguity.

Within the minority the media have tended to gloss over the steadiness of support for constitutional nationalism shown by the 17·8 per cent. of the electorate which voted for the SDLP. The immediate reaction of commentators emphasised the fact that 11·8 per cent. gave their vote to Sinn Fein—a party which openly supports the use of violence for political ends. Its total vote was lower than in the 1983 general election and in the 1984 European elections. That was partly because our new anti-personation legislation was becoming effective, although many people will not agree with me about that.

It is a sad but not new fact that between 80,000 and 100,000 people in Northern Ireland over the years, when given the chance, have voted and will continue to vote for a republicanism which espouses violence.

I have been urged by the hon. Member for Upper Bann (Mr. McCusker) and others to proscribe Sinn Fein before the elections. I have thought hard about it. I decided not to because such a step would have impaired the freedom of elections in Northern Ireland and the whole basis on

which Northern Ireland is part of the United Kingdom. It is not as a result of some colonial system but through the free choice of the majority of the people who live there, repeatedly asserted in wholly free elections.

If I had proscribed before the elections, Sinn Fein and others would certainly have tried to claim that violence was the only course open to them and that they represented the bulk of nationalist voters. We now know that they do not. The 11·8 per cent. does not form a winning hand, unless opponents play into it.

I repudiate Sinn Fein's undisguised support for the use of violence. As I have said, we shall use every means within the law to distinguish between those in Northern Ireland who believe in and practise constitutional methods to achieve their objectives and those who connive in violence, from whichever part of the community they come. I add that we shall keep under review the effectiveness of the law in these respects.

Before the elections we knew that a large number of Sinn Fein councillors would create problems for the Government and for other elected councillors. The Government have to sort out such difficulties within the law. Likewise, we expect district councils to act lawfully.

I understand that feelings inside and outside councils run particularly high in the wake of attacks which murder and injure. If I did not understand that, it would have been pointed out to me many times since May. Elected representatives have every right, and have a duty, to express the revulsion which all decent people feel. They also have a responsibility to defuse tension and to prevent retaliation. The language and behaviour which have marred some council meetings serve only to damage the democratic process and give welcome publicity to Sinn Fein.

I am surprised at the way in which some opponents of Sinn Fein feel compelled to build up that organisation by their choice of tactics. We should not lose sight of those many councils which have made equitable, sensible arrangements to conduct their business. I read in *The Guardian* this morning that the presence of Sinn Fein had reduced local government in the Province to a shambles. That is wholly inaccurate. Such a conclusion can be reached only by people who look at the councils in which there has been trouble and ignore the councils in which there has been none. The right way to deal with a repugnant minority within a minority is to outmanoeuvre, outvote and outwit them.

Faced with the facts that I have outlined, we must continue to search for better political arrangements for the government of Northern Ireland. I have explained the basis on which we wish to do that. Ultimately Parliament must determine the arrangements. We could continue to work through direct rule. I am considering closely a number of measures—as the House has been told—which could be used to remove old irritants to the minority community. I am anxious to ensure the effectiveness of arrangements which underpin equality of opportunity, particularly in employment.

I know that the present Order in Council procedures of legislation are criticised, particularly on the Unionist Benches. There is, for example, a case for making adjustments to the transferred category by removing matters such as banking, building societies and financial services, where efficiency points to the desirability of United Kingdom-wide legislation and administration by United Kingdom Departments and where the scope for separate legislation or policy initiative by any future devolved administration would be more apparent than real. I am certainly open to argument on adjustments in that direction.

We should recognise that nearly three quarters of recent Orders in Council cover legislation which, for some reason, is different in substance as between Northern Ireland and Great Britain. On many matters Northern Ireland Members are among the first to stress the need for such differences. One has only to think of the wide range of social legislation to understand that.

Whatever their differences, Northern Ireland politicians —and Northern Ireland Ministers—cannot escape their responsibility to those who vote for them and to this Parliament to see common ground. I am much clearer about the difficulties than I was some months ago. There are always problems of timing. The atmosphere might be right for one party, but another will produce an insurmountable obstacle to dialogue. People may say that it is better to wait until after the district elections, until after the marching season, until after the outcome of the Anglo-Irish talks—and so on and so on.

The Government have been and will continue to be patient because we recognise the difficulties. However, never-ending excuses to avoid reasoning wear thin after a time, particularly when one considers how Northern Ireland could benefit from an agreement, however modest, between the constitutional representatives of the two parts of the community. I do not think that it is in the interests of the people of Northern Ireland, and I am sure that it is not in the interests of the people of the rest of the United Kingdom, that we should be patient for ever. People cannot claim to want political progress if they refuse to co-operate with, or even to talk to, each other.

The Northern Ireland Assembly still has a part to play. The Assembly's scrutiny of proposed legislation and policy changes has helped my ministerial colleagues, myself and the officials who advise us to tune our policies and proposals more accurately to particular local sensitivities.

I hope that the hon. Member for Foyle (Mr. Hume) will accept that that is our experience. I wish that I could say that some of the Assembly's plenary debates have been as constructive as the work by some of its committees. Some of the speeches in the plenary Assembly, if read outside the Province, would confirm the worst fears of Northern Ireland's friends.

This was not the role which Parliament intended. The Assembly was established primarily as a framework in which acceptable arrangements for the return of greater responsibility to locally elected representatives could be developed by those representatives. So far, the Assembly has not met Parliament's intentions, despite the useful work which it has done. We shall have to decide—not now, but early next year—in the light of what happens whether fresh Assembly elections should be held in the autumn of 1986.

Mr. John Hume (Foyle): Does the Secretary of State agree that the experience of the Assembly confirms the view of the SDLP—the only party which has had the integrity to take that view publicly—that the Assembly could not provide a framework for agreement? Does the right hon. Gentleman accept that that view is based on hard experience, not only of what has happened in Northern Ireland but of what the political parties have said in

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statements, that in no circumstances do they wish to share responsibility with SDLP representatives? That experience has been confirmed and reconfirmed by the attitudes that have been adopted in local councils since the elections. There is no way in which the Assembly will provide a framework for agreement. Will the right hon. Gentleman confirm that that is the position?

Mr. Hurd: All the constitutional party leaders and many of their supporters have told me from time to time of their hard experience, which convinces them that it is no good entering into dicussion with their colleagues——

Mr. Hume: With Assemblymen.

Mr. Hurd: I am coming to Assemblymen. They say that hard experience has taught them that the other parties are not to be trusted and will not make any real concessions. I have heard this over and over again but I do not believe that that provides an adequate reason for not trying again.

The disappointment which many of us feel at the way that the Assembly has not so far met the main purpose for which it was created should not blind us to the fact that one of the difficulties has been the decision taken by the hon. Gentleman and his colleagues not to have any part in it. It would have been very much easier for the Report Committee of the Assembly in making the progress that I and many others would like to see it make if the hon. Gentleman had at least authorised discussions with it, if not joining it. My conclusion is not the same as that which the hon. Gentleman has drawn.

The search for agreement, for mutual accommodations, in Northern Ireland must continue whatever the outcome of the Anglo-Irish talks. I am taking stock with the political leaders at present. The scheme of legislative and executive devolution that is in the Northern Ireland Act 1982 is practical and coherent. I am prepared to consider other forms of devolution if their advocates can show that they meet the criterion of widespread acceptance throughout the community. I could imagine, for example, a scheme in which executive power only was devolved in some areas of policy. If new arrangements are to be stable and to benefit the people of Northern Ireland and of Great Britain, the constitutional political parties which represent both parts of the community must be prepared to work these arrangements together. During the coming months we shall have to encourage the parties to address these matters actively and seriously.

Meanwhile, direct rule must continue. It is often denigrated and receives scant praise. Too little attention is paid to what has been achieved over a decade by successive Governments and the people of Northern Ireland. I pay tribute especially to the public servants. Many tributes are rightly paid to the security forces, but the Northern Ireland civil servants and other civilian public servants of the Province deserve a tribute during the debate. They and the people as a whole have kept cool heads amidst all the tragedy of the terrorism and the hardship in recent years of a severe worldwide economic recession.

This shows in the combined effort that has been made in the form of resources from the United Kingdom as a whole, the understanding of the House and the performance of the people of Northern Ireland. This shows as we go about the cities and the counties. This shows in the roads, schools, leisure centres, health centres, hospitals and the very high standard of new housing. We shall continue to invest in Northern Ireland for the present and in future. We want the people of Northern Ireland to live in greater safety and prosperity. We are prepared to continue the present substantial effort by the whole country to make this possible. We are not satisfied with the results of that effort so far. We shall continue to do all that we can to eradicate terrorism. We shall continue the search for partnership between the communities.

Meanwhile, the government of the Province must be carried on efficiently, firmly and fairly. I therefore invite the House to agree to extend the life of the Northern Ireland Act 1974 for a further 12 months.

7.45 pm

Mr. Peter Archer (Warley, West): We are discussing the extension of arrangements for the government of Northern Ireland which, as the Secretary of State recognises, no one would have sought as a first option. Like so many aspects of the history of Ireland, they exist, not because anyone wanted them, or planned them but simply as a consequence of what has gone before, each chapter unfolding with the predestined inevitability of a Shakespearian tragedy.

The arrangements entail that the people of Northern Ireland can influence only marginally the electoral fortunes of the party which controls the machinery of government, which formulates the policies, and takes the decisions on which their fortunes depend. That is not a healthy situation. Representative government and the politics of electoral choice do not operate for the people of Northern Ireland.

This morning in Committee the right hon. Member for Strangford (Mr. Taylor) observed that the gas industry is the latest example of the casualties which flow from direct rule. It is not the case that the British Government want to run the affairs of Northern Ireland. Those who insist that the Government are clinging to Northern Ireland as a miser clings to his gold are simply wrong. It is not an example of a colonial power reluctant to let go. Indeed, the reverse is true; the British Government do not want to rule Northern Ireland, because it entails finding parliamentary time for matters which they would prefer to be discussed elsewhere. There is no electoral advantage for the Government. Frankly, they do not care about it. Northern Ireland is simply an additional problem, a complicating factor in their work.

Decisions which, if they concerned any other part of the United Kingdom, would take the form of primary legislation—Second Reading, Committee and Report, with amendments and concessions, all the circumstances and safeguards of parliamentary democracy — are replaced for the people of Northern Ireland by non-amendable orders debated for such time as is available, often an hour and a half at some period in the week which has not been pre-empted for more important business. That may be inevitable until we find an alternative which secures a measure of agreement, but we might have hoped that, understanding the situation, the Government would have shown some sensitivity, some sympathy for the needs of the people of Northern Ireland.

We are discussing two orders of great importance to the people of Northern Ireland, involving matters on which feelings run high and which evoke strong emotions. If they

related to any other part of the United Kingdom, each would have been accorded at least a full day's debate. The Government believe that in the case of Northern Ireland they can crowd both into the same day. I confess at once that when we, the Opposition, were told of this arrangement, we accepted it. Perhaps that was because we are conditioned to accept that Northern Ireland is not accorded the same priorities as other regions. Having achieved that, the Government decided to push matters further. They decided that not only should the two orders share a day, but that they should not even have a day, and they should be discussed after other business.

The Government gave an undertaking that at least the other business would not proceed beyond 6 o'clock. They said that if it seemed likely to proceed beyond that hour they would report progress. I understand that unforeseen difficulties arise, but the point of a promise is that it is kept even when it is inconvenient.

The Government's business managers do not normally disregard their promises. What I resent is the attitude that promises on Northern Ireland business do not really matter. No issue of comparable importance relating to other regions would have received such insulting treatment. We have a Government whose business managers simply do not care a tinker's cuss for Northern Ireland or its people.

We must draw one of two conclusions. Either the Government are not capable of controlling their business managers and the Whips Office tail wags the policy dog, or the importance that the business managers attach to Northern Ireland reflects the importance attached to it by the Government. I absolve the Secretary of State from that allegation and I do not call on him to comment on his colleagues. I believe that their attitude to Northern Ireland business is a cross that he, too, has to bear.

But two comments have to be made. The business of the House is about the rights of minorities, and part of their sanction is that no party is in a majority for ever. I say to the present Government, as I ventured to say to political leaders on both sides in Northern Ireland, that one good reason for respecting the rights of those with whom we disagree is that those who in one context and at one time are in a majority, in a different situation and a different year are appealing for the rights of minorities. History has a habit of turning every situation on its head. There is no instance in the history books of a dominating group which stayed dominant for ever, and we know that for the Government time is running out.

Secondly, if daily life in Northern Ireland is to improve and there is to be any redress of its real problems—unemployment, financial hardship and bad living conditions, the problems that we were discussing in Committee this morning—something has to be changed. We all hope for a solution to the constitutional questions which beset Northern Ireland. The solution may come about through a process rather than a single event, but that will be next year or the year after, or some other time in the future. It is now that people are despairing—like the people I visited last week, in the Divis flats, whose afflictions the hon. Member for Bath (Mr. Patten) was kind enough to discuss with me today, or the people I hope to visit shortly in some districts of east Belfast.

If the people of Northern Ireland are to feel confident in constitutional, democratic politics, and if they are to have any expectation from the ballot box, one of two things must happen. Either the Government's managers must take the affairs of Northern Ireland more seriously, even though their electoral fortunes are not dependent on Northern Ireland electors, or if there is no future in that, we must find a way to return a greater share of executive power to elected bodies in Northern Ireland. I take the point by the hon. Member for Foyle (Mr. Hume) that that has to be on the basis that there is some sharing of power.

We had hoped to hear from the Secretary of State what progress had been made. I appreciate that these things are always difficult, but whatever differences there may be about ultimate objectives, interim solutions or simply the way forward, no one wants to retain the status quo. That is unloved because it is unlovable. It is axiomatic that we all want to find a way forward—however we may differ as to the solution that we favour, no one would choose the status quo as the ideal form of government. No one is enamoured of the economic opportunities lost or the waste of resources following the troubles. So far as I know, there is no one who has not tired of the posturing and the sloganising, and, above all, everyone is sick of the violence and the fear.

We discovered last year that people on both sides of the sectarian political divide, as the Secretary of State said, were prepared to explore ways of walking together in peace. There are groups who are working assiduously and positively to build bridges, although we do not pay tribute often enough to people such as the Corrymeela community, Women Together, the Ulster People's college, or Lagan college. I hope that one day, history will accord them greater recognition than their own generation has done. But they reflect what many people are saying, although sometimes understandably they hesitate to say it aloud in their own community: "Let us try to live together in harmony, even with those from whom we differ. Let the two traditions not only tolerate each other but enrich each other, and let us offer the next generation of children a better inheritance as a result."

We had hoped to hear from the Government about the progress of their conversations with the Government of the Republic. Shortly after the summit last year, when the Government were trying to mend the gaping tear in their fences made by the brick that the Prime Minister had let fall at her press conference, we heard of a possible further summit in February and then heard that it might be in April and then probably in September. We heard that the talks were ranging over some practical issues such as a possible Anglo-Irish parliamentary tier and a possible office for officials from the Republic in Belfast to make representations on behalf of those who wanted to seek their aid, although I understand that that is not necessarily welcome to people such as the hon. Member for Antrim North (Rev. Ian Paisley).

There was talk of a jurisdiction to try terrorist offences on the basis of a common judiciary, and leaks have it that the separation of powers had extended so far that the judiciary was hardly on speaking terms with the Executive. There was talk of a closer liaison between the police, repairing the bridges at the highest level and with a kind of common recruitment policy on a less exalted level, so that, in a phrase I heard the Foreign Minister of the Republic use some months ago, a young Nationalist could join the police without being any the less a Nationalist.

I understand that we cannot ask the Secretary of State to offer details on such questions while discussions on them are proceeding. I wish not to embarrass the

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Government but rather to encourage them to pursue those talks in detail, in private rather than public, provided that we are given a progress report when the time is opportune.

So I am grateful for what the Secretary of State has said, but how long is the time scale likely to be? As he said, this cannot be allowed to drag on for ever. I am grateful, too, for what he said about discussions within Northern Ireland between the Government and the political leaders of the various groups, and I agree that a few months ago there was an atmosphere of tolerance that would not have been possible two or three years earlier. But I should be grateful for a little more information as to whether those talks are still proceeding, because that was not clear from what the Secretary of State said, although I understand what he said about their progress being interrupted by the local elections. Can we expect a report in due course?

But there is no prospect of agreement unless people are ready to talk together. There can be no resolution of differences unless political leaders will discuss matters with those whom they differ. And if there is one thing which men of violence are anxious to achieve, it is to ensure that that does not happen.

I hope that the House will forgive me if I repeat what I have said many times before. It may be felt that it does not require repeating, but for the avoidance of misunderstanding, I repeat that we have no sympathy for violence as a means to achieve political ends. Not only do we not believe that the ends justify the means, but we do not believe that worthwhile ends can be achieved by violent means. Murder, and fear and intimidation, cannot give rise to a peaceful and just society. We do not believe that peace and justice can grow in soil that has been soaked with blood.

We would tell that message to men of violence on both sides of the sectarian divide and we, like the Secretary of State, repudiate Sinn Fein's undisguised support for the use of violence. So if there was a plan to spread injury and death indiscriminately in holiday resorts, and if that plan was frustrated by the vigilance of the police, we all share in the rejoicing. But if it leads to the consequence that people refuse to continue talking together, and if it brings political discussion to a standstill, then the men of violence will have achieved their objective after all.

Violence in Northern Ireland feeds on three factors. They have all to be tackled simultaneously, because when they are resolved, the men of violence on both sides will be isolated. Until they are resolved, there will always be a reservoir of potential recruits for the paramilitaries, particularly among the young. First, there are the economic and social conditions in which people are living. Unless they believe that the ballot box can offer some redress for their grievances, we must not be surprised if those who speak of alternatives to the ballot box find someone to listen. Secondly, there is the danger that the methods we use to combat violence may be seen as unfair and oppressive, and they may actually contribute to the problem. I will say no more about that as it will be discussed in the next debate.

In this debate I simply want to make an appeal for a willingness to meet and talk. If that sounds naive, we have no babes or sucklings to say it, and I am convinced that someone has to say it. The Labour party does not believe that meeting people entails agreeing with them, or indicating approval or endorsing their claim to respectability. It means simply what it says, meeting them and listening. If in Northern Ireland I met only those with whom I was already in complete agreement, I would spend a very solitary existence.

I hesitate to endanger our new alliance with the Ulster Unionist parties which was launched so successfully this morning, but I hope that they will receive my comment in the spirit in which it is intended. I believe that we can differ without rancour, and by ventilating our differences we may go some way towards resolving them.

A fortnight ago a working group from the National Executive Committee of the Labour party and of the parliamentary Labour party visited Northern Ireland. We wanted to talk to people from as many different view points as possible. There had to be some criterion of whom we invited to meet us, so we invited every party which had a representative elected to a public body. We did not expect to agree with them all.

In fact, that was impossible because we knew they would be saying inconsistent things, but we believed that if we listened to what they had to say that might help us to understand their point of view and perhaps might even allow us to act as a catalyst in pointing out where the common ground lay. Sinn Fein was within that criterion because it had elected councillors. Sinn Fein agreed to meet us. We did not make it a condition that it modified its views before we met, and Sinn Fein did not impose a condition that we express any sympathy with its position. It was our judgment that we should make no distinction between the parties that fell within our criterion.

The Unionist parties did not agree with our judgment. That is strange because they are so anxious to see nationalists pursuing their objectives by taking part in constitutional democratic politics, fighting elections, representing their constituents and taking their place in committees that when they do, they will not talk to them.

If the nationalist parties are not serious about representing their constituents, and if they do not want to promote the work of the councils, why not call their bluff? Why not offer them the opportunity and see whether they take it?

Rev. Ian Paisley: If terrorists in the right hon. and learned Gentleman's constituency who had murdered people stood for election and were successful, would he talk to them? Would his party enter into talks with such people?

Mr. Archer: If anyone in my constituency was known to have committed murder, I would press the authorities to bring him to justice. The law should take its course. That would be the proper way to deal with such people. If there were people who said they believed in murder, I would disagree with them very strongly and would understand those who felt indignant about it, but I would not say that I was not prepared to talk to them, because something may emerge from such talks. Certainly, if they represented the people who had elected them, I would not expect that support to terminate if they were in a position to say that they were not given the chance to carry out their mandate.

But I understand what the hon. Gentleman says. It is a matter of judgment, and we could have been wrong. We shall have to agree to disagree about it, and in democratic politics there are a number of questions like that. But delegates from the Ulster Unionist party said that they

were going further than that. Not only would they not talk to Sinn Fein, they said that they would not talk to anyone who talked to it.

Because they disagreed with our judgment, they would not talk to us either. So they went off in a sulk and would not meet us. I do not know how far they are prepared to extend this. Perhaps they will not talk to anyone who has talked to anyone who has talked to Sinn Fein, and it will end with no one speaking to anyone else. They would not talk to our working group. That was our misfortune, because the purpose of the whole exercise was to hear what everyone had to say. We may have to reach our conclusions as best we can without hearing the views of the Ulster Unionist party and the people they represent.

Happily, they do not seem to speak for the whole of the party, which does not uniformly adopt quite so rigid an attitude. Last week, after Mr. Golden, the comptroller of the New York city pension fund—a fair and open-minded man whom I had the pleasure of meeting—had met representatives of Sinn Fein, the hon. Member for Upper Bann (Mr. McCusker) did not think it right to refuse to meet him. I applaud the hon. Gentleman. I think he showed greater vision and wisdom than some of his colleagues.

If the Government want to see a resolution of the political differences, they too can set the kind of example on which the Secretary of State touched this evening. I appreciate the difficulties which confront the Government, but they seem to recognise that when members of a political party seek election to public office and are returned as councillors at the polls, it is absurd to say that central Government will not discuss council business with them or listen to them when they wish to speak about environmental health, clean food and the prevention of epidemics. The Government recognise that if we condemn people—and rightly so—for putting their trust in the gun rather then the ballot box, it is inconsistent, when such people use the ballot box, to refuse them access to the machinery of constitutional politics.

But Ministers will not front that operation themselves, although they recognise all that. They leave it to their officials to talk to them. It is neither courageous nor honest to leave officials to do what for any reason they are not prepared to do themselves.

I do not believe that Lord Whitelaw or the Secretary of State, when a junior Minister, were signifying their agreement with Sinn Fein or with anything it said when they met representatives in July 1972, nor were they endorsing Sinn Fein's view on violence. Possibly they were wiser in their generation than some of their successors.

If there is ever to be an end to divisions in Northern Ireland, if people are ever to live in peace with their neighbours, and if there is to be any end of the tribalism, the violence, the waste and the tragedy of it all, there must be some arrangement about how people can live together in one island and manage their business and administer their affairs. There is no hope of that unless they can seek agreement through conversations and constitutional processes with those with whom they do not already agree.

This morning we all urged on the Government the virtues of an open mind. Hon. Members on the Unionist Benches added their voices to ours, and that was greatly appreciated. They did it extremely effectively.

Mr. James Molyneaux (Lagan Valley): We will do it here.

Mr. Archer: I am grateful to the right hon. Gentleman. We were grateful, because the Government's record on consultation leaves much to be desired. But in fairness I must accept that if an open mind is a virtue in the Government, it is no less a virtue in the rest of us. So I urge right hon. and hon. Members on other Benches to reflect on a truth of which I must constantly remind myself—that it is not a sign of weakness for any of us to consider it possible that we may be wrong.

I do not propose to expound the Opposition's views on the ultimate solution to the problems of Northern Ireland. I shall even abstain from enlarging on our interim solutions. I have spoken of them in detail on other occasions, and no doubt some of my hon. Friends will wish to speak about them tonight. I simply want to appeal to all those who for various reasons are tempted to practise the politics of abstention to recognise that, if there is to be a stable settelement, they should be part of it, and that one does not achieve a settlement by refusing to talk and listen.

We shall not seek to deny the Government their order tonight. For the moment there is no alternative to direct rule, but that is something we should all be seeking to change. I have avoided saying anything which should divide us substantially or dramatically from the Government, because to do so would not be helpful at this stage, but the Government cannot simply wait on events. It is their responsibility to take the lead in seeking a better way of administering the affairs of Northern Ireland.

8.20 pm

Mr. James Molyneaux (Lagan Valley): The right hon. and learned Member for Warley, West (Mr. Archer) made a plea for talks and appealed to us all to resolve the problems of Northern Ireland by engaging in talks. He seemed to equate that with what we in the House of Commons regard as consultation and co-operation between different parties and groupings of parties. I must tell him that there is really no true parallel.

There is no problem in this House in getting Members and groupings to come together. We who represent parties and constituencies in Northern Ireland wish to come together when we consider it to be in the best interests of our people to do so. However, it is a very different matter to expect us to get together around a table and arrive at some improbable constitutional structure. To do that would be utterly unthinkable in this House, even within the normal context of parliamentary democracy as it is generally understood, not only in Britain but in most of the civilised world—including the bits that were formerly civilised—to which we have bequeathed our system of parliamentary democracy.

The right hon. and learned Member for Warley, West and the Secretary of State should accept that it is rather unfair to expect party leaders to get together and find an alternative to direct rule. We complain about direct rule. Indeed, the Secretary of Sate came near to chiding us for so complaining. But he is generous enough to take account of the fact that we did not bring about direct rule. That was brought about by a former Conservative Government. Admittedly, the Secretary of State was not a member of that Government, but he was not without influence in that Administration, and I say that in the kindest possible way.

When the right hon. Gentleman is reflecting on that period, he might let us into a secret. Perhaps he would tell

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us what alternatives were considered. Surely no Government in their right mind would abolish a system of devolved government, in Northern Ireland or anywhere else, without having a clear idea of what would be put in its place. I do not believe that at that time they addressed their minds to that. However, shortly afterwards they presented what they knew in their heart of hearts was unworkable. I refer to the 1973 Act and all that flowed from it.

The House of Commons is in danger of making itself look ludicrous, or of permitting the Government to make it look ridiculous, by referring to the words "interim period extension" in the order. That form of words implies that we are dealing with a temporary measure. "Interim" is the sort of word one uses if one's house is being demolished and reconstructed. The occupant may have to live in a caravan as an interim arrangement. The caravan dweller will tolerate such conditions for a month or two. Indeed, he may be able to survive an entire winter under such conditions, as many people are obliged to do.

Thereafter, he would become extremely impatient, and I fear that his patience would snap totally if, towards the end of the first year, the clerk of works in charge of the building tapped on the aluminium door of the caravan and said, "Sorry, old chap, but we shall have to defer everything for another 12 months." That, incidentally, is the type of well-worn phrase that has been used annually, in June, by successive Secretaries of State of Governments of various complexions in this House in the context of tonight's order.

One Oxford dictionary defines "interim" as "meanwhile" and gives, as a secondary interpretation,

"during the time that comes between."

We are entitled to ask, between what? Is it between one Stormont Government and another? As a description, I suppose that was reasonably accurate from 1972 to 1973 and from 1974 to 1975. However, the phrase was wearing more than a little thin by 1982, which was a watershed year for Northern Ireland. In 1982—10 years after the abolition of Stormont—the Government made the word "interim" inapplicable, for they introduced the 1982 Act, even though the House of Commons regarded it as unworkable.

It was an item of legislation which so bewildered the majority of right hon. and hon. Members that they reacted in two different ways. The Opposition could neither speak nor vote, and Government Members excused their support for the measure on the ground—I repeat a comment made to me at the time by many hon. Members—that it would not work anyway. Despite the pleas of those of us who were directed to make it work, the unworkable Act is still with us, and I am afraid that I see no inclination, particularly following the Secretary of State's speech tonight, on the part of the Government to amend it.

The Secretary of State rightly said that so far we have not applied the test which he thought should be applied to any proposal that might come forward within the meaning of the word "proposal" under the 1982 Act. He suggested as a test that for any structure to be acceptable it would need—I refer to the proposal for the formation of a Government—widespread acceptance. In other words, whether it had widespread acceptance would be the test.

I am afraid that if the right hon. Gentleman attempted to apply that test here, he would never have a Government, for there could never be a Government with widespread acceptance in this House. If I am told that Northern Ireland is different and that the same sort of problems do not exist in this part of the kingdom, then I must ask, without becoming involved in monetarist arguments, whether the 3 million-plus unemployed in this island do not warrant an experiment in power-sharing, with a coming together of the leaders of the two main parties. In saying that, I do not entirely exclude the Members on the alliance Bench. Surely the 3 million-plus unemployed are entitled to expect the party leaders in this House to get together to try to work out a solution to the serious problem that affects them all.

Reference is often made to the way in which this island is developing into two nations. What is being done to bridge that gap? Is there not a case for a coalition, or at least an exploration to see how far it is possible to get with the formation of a coalition, to prevent that gulf between the north and south in this island becoming unbridgable?

Meanwhile, the Report Committee of the Assembly has entered on the second year of its deliberations, frustrated and shackled with a near-impossible task. Nevertheless, the Government insist on the use of the word "interim" —or perhaps they are using it to mean

"during the time that comes between."

It is true that Ministers and those who advise them have not been helped by misguided thinking inside and outside the House, because for 15 years there has been a mistaken belief that all political movement has to be designed to placate the terrorists. It is a mistaken belief that terrorism sprang from social, economic or other alleged defects in the democratic system but, in fact, it was the other way round. That is not my opinion; it is proved in an extract from the IRA's manual dated 1968—two years before the IRA was supposed to come into existence as a reaction to majority oppression in Northern Ireland. Who are we to disbelieve the manual, because at least the IRA meant what it said. It stated:

"Our strategy if it is to succeed must be the perfect blending of Politics and violence . . . at the most opportune time and under the most favourable circumstances . . . We will not succeed in winning support for our policy and ideas by mere propaganda publicity. We must at every possible occasion involve ourselves in any agitation or issue that is part of Republican policy, and it should be made known to the public at large that Republicans are involved and helping in the particular cause at issue."

Some time later, when I was elected to the House, I drew attention in my maiden speech on 15 February 1971 to the real nature and intention of terrorists. My natural modesty prevents me from quoting from the *Official Report*, but it so happens that afterwards I was furnished with a copy of the Press Association report, giving an indication of what that association made of my remarks. I shall quote a few sentences which sound not so strange in 1985. The report states:

"The first demonstration of urban guerrilla warfare in Western Europe was being seen in Ulster, the Commons were told tonight. 'Our Army is meeting the onslaught with great courage' said Mr. James Molyneaux. But it had been given 'an impossible task and would be engaged on it for many years to come.' The troops endured a 'deluge of abuse' after every incident. The first page of the Anarchist's textbook apparently said charges of brutality should be made after every incident. It would be futile to get the three governments round a table because the IRA and their anarchist friends were utterly opposed to all governments. Nor could direct rule from Westminster make a scrap of difference to 'the gunmen'. Mr. Molyneaux said the questions of reforms were not relevant to the problem. IRA leaders had said they did not want reforms."

Such views were not fashionable in 1971, and they have remained largely unfashionable during the intervening 14 years. That is why successive Governments have wrongly believed that any modification of the interim period arrangements had to be considered with one eye on the terrorists in the hope that the terrorists might give tacit approval or in the hope that the changes and concessions might at least take the heat out of the terrorist campaign and somehow, in a magical way, isolate them from the community from which they sprang.

Today, in 1985, the terrorist mask has been ripped away. What concessions and administrative changes could influence the evil brotherhood of international terrorists? What softening influence would political considerations exert on minds that planned the hijacking of the American airliner, the bomb at Frankfurt airport, the mass murder on the Indian jumbo jet, the explosion in the baggage section at Tokyo airport or, more recently, the planned slaughter of holidaymakers in England's seaside towns?

We need not, after the events of the past two weeks, waste any more time on analysing the so-called causes and motivations of this murderous worldwide league. Other debates will be more appropriate for a consideration of how the civilised world can snuff out the terrorist menace, but in this debate we need only resolve that this democratically elected body—the House of Commons—should not be distracted or diverted by terrorist action or threats which conveniently coincide with occasions when decisions are in the offing. In this case, the IRA clearly intends invervening to turn the screw to force the British Government to deliver what is desired by the IRA and those who share its objective of dismantling the United Kingdom.

How the so-called IRA army council must have cheered when it yesterday heard the leader of the Liberal party unwittingly transmit the signal that it most wanted to hear when he asked the Home Secretary to agree

"that this would be a good time for the Government to underline yet again their intention to continue the constructive dialogue with the Government of Ireland".—[*Official Report*, 25 June 1985; Vol. 81, c. 776.]

The idea was that we should attempt to break the impasse. I believe that those words originated in Paul Johnson's article in *The Guardian* the day before when he said that blatant efforts were being made to breathe some form of life into the negotiations between London and Dublin. He referred to breaking the "impasse". It is not the impasse in negotiations about many of those worthy items of co-operation to which the Secretary of State and the right hon. and learned Member for Warley, West referred. It is not the impasse in negotiations about co-operation on fishing rights, animal health, tourism and all the matters that one would normally expect to be dealt with between two neighbouring friendly nations. It is very different—it is an impasse in the negotiations about starting the process of ending Northern Ireland's existence as part of the United Kingdom. It is that process which the IRA seeks to hasten. That is why the IRA considers this to be a good time for it to underline, in its rather indelicate way, the need for the British negotiators to be given another kick.

The Secretary of State conceded earlier that in his view the Government of the Irish Republic had a legitimate interest in the affairs of the minority community in Northern Ireland. One would assume that that claim was based in turn on that Government's claim that the minority in Northern Ireland—for all I know, all the citizens in Northern Ireland—are Irish subjects. If so, why do not Dublin Ministers make representations to the Secretary of State or his Cabinet colleagues about the plight of Irish citizens who reside in England, living under the same Government and having to endure the decisions made by the Cabinet of which the right hon. Gentleman is a member? Why is there such a difference in the treatment of—to be blunt about it—Irish Roman Catholics who reside in Belfast and Irish Roman Catholics who reside in Birmingham? I have addressed that question indirectly to members of the Dublin Government and there has been no answer. But as the Secretary of State attaches such great importance to the right to interfere, the right to advise and the right for the Government to concern themselves, perhaps he would attempt to seek clarification and say whether perhaps there ought to be a Minister for Irish affairs sitting in the British Cabinet because that would seem to be logical.

Coming back to the central point that all of them in Birmingham and Belfast are governed by one and the same Government, it is important to emphasise that in Northern Ireland they are being governed not by a coalition of Unionist parties but by a Government elected by the people of the United Kingdom and a Government who in the final analysis are accountable and responsible for all their actions, be it in Great Britain or Northern Ireland, to the House of Commons. The Dublin Government, before they continue to reassert that claim, must substantiate that claim and they must tell us and the Secretary of State why they seek to interfere, intervene and interest themselves in only one part of the United Kingdom.

I want to make a point about the discussions going on between London and Dublin which have caused a great deal of suspicion, I think quite unnecessarily, because there should be no problem in Her Majesty's Government taking the House of Commons into their confidence and telling them what it is all about. Because of all this suspicion, because of all the kite-flying and because of all the projections, all the rumour-mongering and all the deliberate leaks, they can hardly blame Loyalists for being a bit suspicious and, if it comes to that, they can hardly blame the IRA for imagining that, if it gets in on the act, it will expedite affairs along the road that it would wish to choose.

Hundreds of men, women and children with their buckets and spades will die because of the IRA's intention to break the impasse to which I referred earlier. Now that the eyes of all have at least been opened, let us here in this House of Commons, where we have consultation and co-operation and where we can talk to each other, devote our energies to making democracy work. After 13 years in the political trenches, do not expect that all can be put right in a single day. But today at least we can give an indication of our intention to start dismantling the colonial apparatus of direct rule.

Let no one be deterred by the mistaken notion that our efforts will be resented or resisted by anyone in Northern Ireland who believes in democracy. Who in Northern Ireland would be prepared to defend insensitive legislation by Order in Council and ministerial decree? Who in Northern Ireland can condone a regime which contemplates the passage of legislation for Great Britain only with absolutely identical legislation for Northern Ireland following on anything up to two years later?

The Secretary of State referred to the high percentage of Orders in Council which come before the House dealing

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especially with Northern Ireland because of Northern Ireland's special legislative background, but I think that he knows that it would not be too difficult to adapt Great Britain's legislation as it comes forward to suit the needs of Northern Ireland and to fit in with Northern Ireland's existing legislative background. Perhaps he would be good enough to enter into consultations with those who have given a great deal of thought to this process. That process is designed to make direct rule more sensitive, more acceptable, and more efficient, and to operate in the best interests of all the people of Northern Ireland, given that the present Government and the present House of Commons, in positive ways and sometimes in negative ways, have put on the statute book the Northern Ireland Act 1982 which prevents the restoration of devolved government as long as it remains unamended. We are saying that no time should be lost in making direct rule more acceptable and more efficient in all its workings.

I hope that the Government and the House will now conclude that 13 years of interim temporary arrangements have been at least 10 years too long and that within the next 12 months we will have introduced arrangements more in line with British democracy as it is understood and admired the world over.

8.48 pm

Mr. John Hume (Foyle): It has already been said that for the 13th year we are discussing direct rule in Northern Ireland, and we do so with a depleted attendance in the Chamber. We in Northern Ireland have been told repeatedly how British we are. We have been told by no less a person than the Prime Minister that we are as British as Finchley. I would venture to suggest that if what is happening on the streets of Northern Ireland were happening in Finchley, if 2,500 people had lost their lives in political violence, 20,000 had been maimed and there were unemployment of 20 per cent. concentrated in the areas from which the violence was emanating, there might be one or two more Members of Parliament present to discuss the matter this evening. It is difficult for me to take seriously the political parties in this island when they tell me that they think we are as British as they are and when there is this sort of attendance in the Chamber to debate what is the most serious human problem facing the peoples of these islands.

It is difficult for me also, therefore, to take seriously the views expressed by the Government this evening when it is quite clear that the party that supports them does not have any great concern, interest or, indeed, care — I think that is a fair charge to make — about what is happening in Northern Ireland. There are 12 Members representing Britain and present in the Chamber. Five of them have to be present. I think that is a sufficient commentary on their attitude towards and concern for the problems that we face.

The Secretary of State's remarks tended to repeat what we have heard so often. The more things change the more they remain the same. The Secretary of State indicated that successive Governments have tried repeatedly to put forward proposals for a solution to the problems of Northern Ireland, again with the implication that they are the harassed arbiters between the warring factions that inhabit the north of Ireland. There was no sign of what I feel would be necessary after 13 years of failure to provide peace and stability. There was no sign of a radical reassessment of attitudes or of approaches.

The forces that make political progress almost impossible in Northern Ireland today have not changed. They have not changed throughout the 13 years; they have not changed throughout this century; they are identical. The democratic process was interrupted in Ireland, as I have often said in the House, in 1912 when the House, which opposed the rule of law—a rule of law based on the sovereignty of this Parliament — surrendered to threats of Ulster Unionists against the decision to grant home rule to the island of Ireland. Unionists learned from that and they have never forgotten, and they have been repeating in the past week to the Secretary of State that, if one threatens a British Government with the dire consequences of their action, the British Government will back off. Others too learned that if one succeeds by democratic methods the name of the game is changed and physical force is the only answer to our problems.

Those two forces — those who threaten force and those who use force—had their positions reinforced by the experience of 1974 which still dominates much of the thinking in Northern Ireland today. Those two forces are still the forces that prevent the development of the political and democratic process in Northern Ireland. They feed off one another. In a recent election we witnessed them feeding off one another. We had the spectacle of Members opposite holding an election press conference with sledgehammers over their shoulders saying, "We will smash Sinn Fein." One does not need two political thoughts to rub together in one's head to realise that that kind of approach breeds support for the people that one alleges will be smashed. Extremism breeds extremism. The killing by the Provisional IRA, which is part of Sinn Fein, feeds the fears and the centre tends to fall apart.

After the elections we found that the same extremists were breeding the same extremism. The recent local government elections results were not unusual. They demonstrated that nothing ever changes in Northern Ireland elections. The election results in my city were identical with the election results in 1933. In 1981 the local government election results showed that 21 per cent. of the people in Northern Ireland voted for candidates who were described as "others" and that 17·5 per cent. voted for SDLP candidates. In 1985, 11·8 per cent. of the people voted for Sinn Fein and 9·2 per cent voted for others. The total is exactly 21 per cent. A total of 17·8 per cent. of the people voted for my party. The Sinn Fein vote was slightly less than in recent elections. There is nothing new about the results; have reached the ceiling and we know what it is. It is good to know exactly where one stands.

The reaction was a propaganda victory. It appeared that Sinn Fein had won the election. Those people say that they speak and act in the name of the people of Ireland, but 11 per cent. of the vote does not give one the right to speak and act in the name of the people of Ireland. And 3 per cent. of the vote this week in the Republic does not give them the right to speak and act in the name of the people of Ireland, particularly when they kill fellow Irishmen in Northern Ireland. Every democrat should stand up and say that, instead of behaving at local council meetings in a way that gives credibility to and provides propaganda for those one claims one wants to smash.

What do councillors say at local council meetings? They say that they will not recognise the presence of Sinn

Fein councillors. There is nothing new about that. Everybody thinks that they say that just because it is Sinn Fein, but they have been saying that to the representatives of the SDLP for years. The Unionists in Northern Ireland have conceded not one iota to SDLP representatives. The deputy leader of my party has been a member of Armagh council for 12 years. During that period he has not even been nominated for membership of a committee; nor has any SDLP councillor held senior office in any council in which the Unionists have a major say. That has to be contrasted with the performance of my party when it had a majority on the council. Not a single committee place on Belfast city council has been given to any representative of the non-Unionist community. Craigavon decided that it would give complete council powers to a council committee. The membership of that committee excludes everybody who is not a Unionist. Talk about democracy!

Mr. Ken Maginnis (Fermanagh and South Tyrone): Does not the hon. Gentleman agree that many of these instances followed in the wake of council meetings in other districts where a genuine effort was made to bring the SDLP into the work of the council by giving senior posts to them? Will he acknowledge that when the SDLP was told that it would be given the vice-chairmanship of my council it declined to nominate anybody? Does he also acknowledge that we said that one of two posts on a council committee would be filled by the SDLP? The SDLP nominated somebody but when Sinn Fein nominated somebody else the SDLP withdrew, in an effort to force a Sinn Fein nomination upon us. Does not the hon. Gentleman realise that because of decisions like that by the SDLP, as happened when it decided not to fight Fermanagh and South Tyrone, other councils behave in what appears to be an irresponsible manner?

Mr. Hume: I intend to deal with the position of the SDLP on all these councils. I do not accept the hon. Gentleman's chronology, but I shall deal with that later. Cookstown council acts in the same way as Craigavon council, except that it does it more legally; it delegates its powers to different committees but makes sure that nobody serves on the committees who disagrees with the Unionists. Lisburn council made a mistake. It allowed one member of the SDLP to serve on a committee. Later its leader apologised to the electorate for having allowed an SDLP member to serve on the committee.

I hope that the Under-Secretary of State for Northern Ireland will ensure that the imbalance on area education boards is corrected. Not a single representative of the minority communities has been nominated to serve on the area education boards of Armagh, Dungannon, Cookstown and Craigavon councils.

The SDLP approach was set out before, during and after the election. We fought all comers. In particular, we fought the men of violence. It did not go unnoticed by anybody observing the political scene in Northern Ireland that the party most targeted by the political wing of the IRA was the party that I lead. Mine is the party that it wants to destroy. We fought the political wing of the IRA in every part of Northern Ireland. We fought their violence and their violent actions. We also fought the bigotry that lies at the heart of most of our divisions. We said that because we fight elections under the system of proportional representation we would do as we had done before: once the election was over we would try to ensure that, in every area where we had a major say, proportionality, in terms of membership of committees, would be the order of the day. We carried out that policy. In Northern Ireland, the SDLP has five chairmanships and Sinn Fein two. That is almost identical with their proportional vote. Furthermore, in those areas where we have a major say we have offered positions to representatives of other parties.

Before somebody tells me that the fact that one supports somebody from a party that one opposes and does not like for the chairmanship of a council or a committee where there is not an overall majority means that one supports what that party stands for, let me say that in that case no local government would work. We put into office in Newry as chairman Mr. Graham. The Secretary of State no doubt recognises the name because yesterday he refused to talk to Mr. Graham.

Rev. Paisley: He had lunch with him.

Mr. Hume: Hold on a minute; I am talking about what we do as a political party. We supported for office a member of the party of the hon. Member for Antrim, North (Rev. I. Paisley) in an area where we had an overwhelming majority, in pursuit of our policy of partnership, to try to break down the barriers between us —a man whom the Secretary of State will not talk to because he makes his views clear about the sort of violence he would use to achieve his political objectives.

I do not like what Sinn Fein stands for, any more than I like what the parties that differ from me in the House stand for. I particularly dislike the fact that it decides that the way to unite my country is to kill fellow citizens with whom it disagrees. I do not think that it requires great political intelligence to recognise that that only causes far deeper bitterness and division.

The nub of the question — this is where the Government come in—is that if we agree that a political poarty has a legal right to stand for election, and that election takes place, we must treat everybody elected in exactly the same way, whether we like them or not.

Rev. Ian Paisley: That is completely contrary to what happens in this House. This House passed legislation, because Bobby Sands was elected, that ensured that never again would it permit that. So the House took a decision on that issue and the Labour party voted for it.

Mr. Hume: If people want to engage in undemocratic practices in the House or anywhere else, it is no good asking me to defend them. The Government have said and the House has said that it is perfectly legal for members of this political party to stand and—whether one likes it or not, and most people do not—if they are elected they are entitled to be treated exactly the same as everybody else, because if they are not treated the same as everybody else they are given propaganda victories right, left and centre. That is giving one's own definition of democracy, by excluding people who are elected by the people. That is far more dangerous because the erosion of democracy is what gives justification to men of violence.

The Government have said that they will not talk to these people. How many times in a year is it likely that a deputation from a council that includes members of Sinn Fein would want to talk to a Minster? It would certainly not be very many. What has happened because of all this

[Mr. Hume]

hullabaloo is that Sinn Fein has been let off the hook of its own contradictions. It is pretending to be working for the welfare of people, jobs and better living conditions, while its military wing is blowing up factories. Everything that intelligent politicians who want to oppose it are trying to do is thwarted by people trying to make political martyrs out of Sinn Fein by refusing to talk to its members. The Government will not talk to Sinn Fein, but their agents will talk to an IRA man or a UVF man who has been guilty of serious offences and they will bribe him to uphold the legal system. It is a policy designed to give propaganda victories to the people whom they claim to want to smash.

The marching season is upon us again—a time when in Northern Ireland the temperature always seems to rise. If people in Northern Ireland want to keep marching back towards 1690, I do not have any great quarrel with them. They are entitled to march when and where they like provided that their marching is not triumphalist and is not designed to give offence and to go through areas where it gives positive offence. There are some areas in Northern Ireland where the marching is a simple coat-trailing exercise, which is likely to lead to violence. I have raised these matters with the Secretary of State and the Minister and some indications have recently been given that a more common-sense approach to the routes of these marches might be adopted in order to prevent community conflict and to avoid giving the opportunity for men of violence to take advantage of tense situation.

We hear Opposition Members saying that they will resist with every means at their disposal any decision to re-route, for example, a march at Portadown where the other routes on offer are more direct to their ultimate destination than the coat-trailing one, which goes through a small Catholic area.

I have gone on at length about recent events, but what is the lesson that we draw from all this? This is very clear to anybody who thinks about it. The political parties in Northern Ireland cannot and will not agree in the context of Northern Ireland. That is the lesson. Nothing has changed electorally during the past 60 years. They cannot possibly agree in that context because the problem is not about relations within Northern Ireland.

The Secretary of State referred to the fact that my party does not sit in the Northern Ireland Assembly. We have given reasons for that time and time again. Recent events have underlined the integrity of my party's position. This House, through the Government, indicated that it wanted, yet again, to pursue devolution based on cross-community agreement — understood by most people to mean the sharing of power and responsibility between the two communities. My party has never had any objection to that as a form of government. We believe that working together is the only way to break down barriers between people who are deeply divided. The experience of working together for the common good is the only long-term, slow process that will break down the barriers. We have said that repeatedly.

However, as we know from our experience and the experience of local councils and the Assembly, the two parties in this House which are supposed to share power with us have repeatedly said publicly, honestly, forthrightly and without equivocation that there are no circumstances in which they will share responsibility with us.

My minute intelligence draws a conclusion from that —that I should be wasting my time and a great deal of public money in the Northern Ireland Assembly trying to prove that those parties do not mean what they say. If they want to tell me now—and I will happily give way—that they will share power with the SDLP, I would welcome that; but they will not. Therefore, the conclusion can be only that the Northern Ireland Assembly will not reach agreement. It is costing a great deal of taxpayers' money to keep the Assembly in being. My party could do a smash-and-grab raid tomorrow. It could pop into the Assembly, sign on, collect £750,000 in salaries and allowances and then give it to charity. We do not do that.

We have said from the beginning that there have been a series of attempts to solve the Irish problem, but they have all been British initiatives. We have had majority rule. If I had been the leader of a party that ruled a piece of earth for 60 years, and ended up in the mess in which Northern Ireland is today, I would not be standing in this House giving anybody advice on how to rule it in future. There have been power-sharing attempts, and the House has heard my comments on that. There has also been direct rule. They have all been British initiatives, and none of them has provided peace and stability in Northern Ireland.

When we said that the Northern Ireland Assembly would not work, we asked why. Our answer—I invite anyone to challenge it — is that the relationship of conflict is not a relationship between people in an artificial entity called Northern Ireland; it is a relationship of conflict between the people of Ireland and between the people of both islands. It is only in the framework of the problem that we can provide a solution. It involves interlocking relationships.

Britain and Ireland have failed to sort out their relationships. They pushed them into a corner called Northern Ireland and left them to fester. We are now facing the consequences of that. Until we go back into the wider framework and get fresh air into the situation we will not break down the barriers and build the structures that will allow us to grow together at our own speed.

The New Ireland Forum was an attempt by one of the parties to reassess its attitude *[Laughter.]* I say to the laughing hon. Member for Antrim, North that the position in Northern Ireland today obtains because our attitudes have brought us here—his, mine, the IRA's, the British Government's, the Irish Government's and everyone else's. If we do not have the good sense to ask ourselves what in our attitudes has brought us here, and be prepared to reassess those attitudes, we are going nowhere other than to total conflict.

The hon. Gentleman may sneer at the efforts of the New Ireland Forum, but at least it was an effort by the representatives of 80 per cent. of the people of Ireland. It was the first Irish initiative since partition and it laid on the table our analysis of the problem. We invited people round the table to discuss that analysis with us, but we are still waiting for them to accept. We welcome the fact that the Government took up the offer of the Irish Government to discuss that document. The discussions are continuing. I wish them success, and I believe that that wish would be shared by the vast majority of the people of both Islands. I hear many pessimistic noises these days, but I wish to end with one thought: a series of British initiatives has failed to solve the Irish problem. It is about time that we listened to an Irish initiative.

9.10 pm

Rev. Ian Paisley (Antrim, North): I comment first on the New Irish Forum, which was so eulogised by the hon. Member for Foyle (Mr. Hume). Unionists and Protestants had every right to examine the report. It told us of the magnanimity of southern Irish Governments to the Protestant population there, and said how well Protestants were treated in the south of Ireland. But where are they? At partition, 10 per cent. of the population was Protestant, but that figure has fallen to less than 3 per cent. In contrast, the Roman Catholic population in the north of Ireland is increasing all the time. There is a great difference between the two forms of rule that were suggested in the New Ireland Forum report.

The right hon. and learned Member for Warley, West (Mr. Archer) accused the Government of going back on the Prime Minister's "Out, out out" statement. He said that the damage caused by the brick that she had thrown was now being repaired by the Government. That is not what the Secretary of State told me and the right hon. Member for Lagan Valley (Mr. Molyneaux) only a few days ago. He said that the Government stand by the Prime Minister's "Out, out out" speech. The story told to the right hon. and learned Gentleman is different from the one told to the Unionist representatives who meet the Secretary of State. I hope that when the hon. Member for Middlesbrough (Mr. Bell) replies, he will comment on the matter, because such mistakes do not help confidence in Northen Ireland.

Mr. Hurd: The hon. Gentleman cannot have listened to what I said this evening. I made it clear for the umpteenth time that our discussions with the Irish Government are held within the framework of the Chequers communiqué and what my right hon. Friend the Prime Minister said afterwards.

Rev. Ian Paisley: The Secretary of State has clarified the matter. I do not know what is said behind the Chair, or what little whispers the hon. Member for Foyle has heard, but I know what is said to me. I am expected to believe that and to convey it to my people, but when I come to the House I hear a different story. No wonder there is little confidence in Northern Ireland.

Mr. Archer: The hon. Gentleman is obviously trying to tempt me to my feet. I said that the Prime Minister had dropped a brick. I do not resile from that statement, because it is important to consider not only what is said but the timing and the manner in which it is said. It is difficult to imagine anything having been said less graciously than that.

Rev. Ian Paisley: I shall leave it to the two Front Benches to sort that out. I know what the people of Northern Ireland think, and how the statements from the two Front Benches will be interpreted by them.

From listening to the hon. Member for Foyle (Mr. Hume) one would think that the SDLP is characterised by a sweet reasonableness. It is strange that in his city his party excluded every Democratic Unionist member from every committee when it first took office in the Londonderry city council. *[Interruption.]* I am talking not about the present position, but about the position when Democratic Unionists were first elected to that city council. They were excluded by the SDLP from every office in their first term.

The hon. Gentleman tells us that we should all be talking. The Secretary of State glided or, perhaps, skated over why the talks between the Unionists and the SDLP did not come about. It was a careful bit of scheming. He talked about the elections to come, but it has nothing to do with that. Let me put the record straight. For nine months the Democratic Unionists asked the SDLP to talk. The Official Unionists and the Alliance party asked the SDLP to talk. What happened? We were put off and told that the matter would have to be decided at an executive meeting. We were told this, that and the other. Then, strangely, on a radio interview the hon. Gentleman said that he would like to speak to the IRA army council. He knew perfectly well that if he spoke to it, the people whom I and the Official Unionists represent would not expect us to speak to him.

I told the hon. Gentleman face to face on Ulster television that if he spoke to the IRA army council, he would close the door to the Unionists. Yet the hon. Gentleman was happy about that. He was glad to close the door, slot the bolt, put on the chains and padlock them because he did not want to talk to the Unionists. Now the hon. Gentleman says that we should all be talking and that we should re-assess the position. He read a homily to me that I should reassess my position.

The hon. Gentleman was invited to send representatives to the Report Committee. Did he go? If he is invited to Dublin, he can go immediately. If he gets an invitation from the IRA army council, he can make himself conspicuously low key. He can disappear, get some man to drive up in a car, take him here, change cars and so on, and he can tell the Government that if they question him, they will get no information from him about where the army council men are. Yet he could not come to the Report Committee. Nor could Bishop Daley. He makes wonderful statements about us all re-assessing our position. He was invited to the Report Committee but not even he could come to put his point of view. Therefore, for the hon. Gentleman to hold forth in the House and to condemn Unionist representatives for not talking is a fraud and a deceit. We have said that we will talk, and we have asked for talks, but the door has been closed.

I agree with the right hon. and learned Member for Warley, West that the Government's attitude is ambivalent on this issue. If Ministers refuse to talk to Sinn Fein, their officials should not be asked to do the dirty work. I want to make that clear in the House. But what has happened? The Government will not talk to Sinn Fein, but we are asked—the Loyalist people of Northern Ireland—to talk to Sinn Fein. I find it strange to hear the hon. Member for Foyle talk about targeting. I do not know of any SDLP councillors who have been shot dead by the IRA. I do not know where the list is. It is the Unionist people who are targeted by the IRA. They are shot dead, but what do we find? We find that the Government refuse to accept the recommendation of the Baker report or to ban Sinn Fein, which is the IRA.

The idea that the members of Sinn Fein are different from members of the IRA is an atrocious lie. They are one and the same. What is more, the godfathers are now identified. The IRA leaders are now councillors. We know who they are, and what they stand for. They have come out into the open. They have the cheek to say to us, "Recognise us. We are democrats. We want to do the decent thing." Those people have records of crime. They have been engaged in activities against the kith and kin of Unionist Members. We are forced to sit with such people. They are out to plan more murders.

[Rev. Ian Paisley]

I was in the House when the Birmingham bombing took place. I know what the strong Left-wing Labour Members said. It was all right while the IRA was killing Protestants in Ulster. That did not matter. When they came home and started to kill their kith and kin here, those hon. Members denounced them strongly. They realised what they were.

The House has asked us to sit down with those people and treat them as councillors, enter into negotiations with them and to sit with them on committees. My party will not do that. What is more, an Act passed by this House gives us the opportunity to set up a committee. If it wants to exclude someone from that committee the council has the right, under the legislation, so to do. Does the hon. Member for Foyle think that we are fools and that we shall not take advantage of the legislation when those murderers are pushed down our throat by a Government who will not talk to them? If he thinks that the Unionist people will have them pushed down our throats he has another think coming. We shall not co-operate with them and we are doing what we can within the law passed by this House to exclude them, and we shall continue to do so.

Mr Hume: The hon. Gentleman is the best friend that they have.

Rev. Ian Paisley: I have never listened to such utter nonsense. If one reads the newspapers one will see that the attack now is upon the Democratic Unionist party and upon me. Sinn Fein's best friends are the people who voted it into office — the SDLP men in Enniskillen and Omagh. The hon. Gentleman's party has entered into an agreement with Sinn Fein to put it into office. My hon. Friend the Member for Mid-Ulster (Rev. W. McCrea) will be able to explain to the House what has happened in Magherafelt.

Rev. William McCrea (Mid-Ulster): Is it not strange that the only councils where the SDLP and Sinn Fein did not enter into an agreement about high office was in the two councils in the constituency of the hon. Member for Foyle (Mr. Hume)? That was in case Sinn Fein demanded his seat in the next election. Any other part of the country could go to Sinn Fein.

Rev. Ian Paisley: My hon. Friend knows all about it. He is targeted. He has to sit on a council with the men who are planning his destruction and who have told him publicly in the council, 'We will get you." The Opposition Front Bench say that we must tolerate that and talk to those people. The hon. Member for Middlesbrough (Mr. Bell) was not part of the Labour party deputation which met Sinn Fein and which was asked whether it rebuked Sinn Fein and denounced its violence. Its answer was that it did not have time to talk about that.

Mr. Stuart Bell (Middlesbrough): I presume that the hon. Gentleman saw the story on the front page of the *Belfast Telegraph* which said that I had not met Sinn Fein but that if I had I should have told it to put aside the Armalite and concentrate on the ballot box, and that violence did no service to any of the people of Northern Ireland.

Rev. Ian Paisley: I am not suggesting that the hon. Member for Middlesbrough was the person interviewed after the meeting with Sinn Fein. If the person who was interviewed wants to withdraw, I should be happy.

Northern Ireland is in a very serious state. Some people say that they are always hearing that. If anyone is so blinkered as to think that Northern Ireland is not in a serious state he knows nothing about what is happening. The House had better realise the seriousness of the situation.

I shall dwell in a moment on the seriousness of the state of morale in the Royal Ulster Constabulary. That is an important issue and the House had better consider it. Why is the situation so serious? The Secretary of State does not like the plenary sessions in the Assembly. He seemed to give the impression that he would like to gag the Assembly. I wonder why, because some matters of great import are revealed in that Assembly.

The House is saying to us tonight "You should all talk. The Protestants should all be happy. Everything is well". Some might say that the Democratic Unionists are bigoted. I find it strange that the Secretary of State could have a meal yesterday with a person to whom he said he would not talk. I find that amusing. I shall return to that and defend Mr. George Graham. The statement in *The Irish News* had to be withdrawn and *The Irish News* had to apologise. Perhaps we shall now have the proper statement.

Mr. Raymond Ferguson is not known to be on the extreme Right wing of the Official Unionist party. He spelt out in the Assembly why there was such a problem among the Protestants of Fermanagh. He said that people thought that Fermanagh had an overwhelming Republican community, but that it had not because the community there is split almost 50:50. At the election the Republican groups gained their majority by only 4 per cent.

What has happened? In the last 15 years, 74 murders have been committed in County Fermanagh. That is what Mr. Raymond Ferguson told the Assembly. He said:

"Seven of those murders were carried out by Loyalist organisations"—

one was carried out by a member of the British Army—

"and of five out of seven of those seven murders, the culprits have been punished by the courts and are now in gaol. Of the other 67 some people have been apprehended . . . for minor offences such as conspiracy or involvement at some insignificant level. But I am not aware of one case in which any of the perpetrators of those 67 murders have been brought before the courts, sentenced, and put in gaol for their crimes."

That was said by a person representing the area. What can he say? I ask hon. Members what, if they represented that area, they would say when a person in their constituency was murdered. Everyone says "Keep calm. Don't do anything. Don't say anything." A constituent who is a member of my party has some strong words to say about Sinn Fein and the IRA but the Secretary of State has said that he can not meet him. Next week he will have to meet him as a member of the Home Affairs and Security Committee of the Assembly. I find that interesting.

I do not shed any tears when an IRA man is given his just desserts. I shed tears for the people he murdered, for the orphans and the widows. I shed no tears for IRA murderers. Evidently that is a crime. It seems that we are not supposed to say that. I advise hon. Members to read in the Library the report of what the Rev. Ivan Foster said in the Assembly and then to decide whether the Secretary of State should take such a stand.

I represent Fermanagh in another forum. What do I say to the people of Fermanagh when I visit them? Do I tell them that everything is all right and that the security forces are taking care of everything? What do they say to me?

They draw my attention to the murders of Protestants and tell me that no one has been arrested for committing them. They ask, "Are we to sit peacefully by and allow ourselves to be murdered?" That is one issue that is causing serious concern among the people of the border areas and the House needs to think about it and to meditate upon it. If the murderers are not being captured and are not being brought to court, there is no hope for the people living in the border areas. Indeed, a deep hopelessness has set in.

Three outrageous atrocities have taken place in Mr. Graham's constituency of Newry. What are we to say to the people of Newry? Are we to tell them, "Everything is all right. Everything is wonderful. It is better than it ever was before."? It would be extremely difficult to enter the homes which I have visited to spell out that message. The Secretary of State and his Ministers do not go to the homes of the families who have suffered as a result of the atrocities. They do not face these people. They might send a letter to them, but that is all. They do not hear the message that we receive from them. The hard-pressed Protestants of Northern Ireland are facing atrocities day in and day out.

I was present when the hon. Member for Bury St. Edmunds (Sir E. Griffiths) spoke in a debate on Northern Ireland about having an inquiry into what happened at Killeen. It is time that an inquiry was put in train by the Secretary of State. I have had conversations with police officers and they feel that the Killeen incident could have been prevented. They have told me that such events were happening regularly and that there should have been a proper Army cover and presence. We are talking about police officers who went to their deaths. That is the factor that is troubling and worrying the people of Northern Ireland.

The hon. Member for Foyle said that people should be allowed to walk when and where they like. Having said that, he expressed certain considerations. He should remember that it is councillors and Assembly Members of his party who are saying that people will not walk when and where they like. There are Roman Catholic traditional parades in North Antrim and they include areas that are predominantly Protestant. The parades have taken place for years and no one says anything to those who participate in them. The paraders have always walked through these predominantly Protestant areas and they will continue to do so. That will happen because it has always been the recognised and accepted practice. They walk through Portglenone and other areas in North Antrim that are predominantly Protestant. That is true of the Hibernian parades on 15 August and nothing is said about them. The hon. Member for Foyle spoke about the parade in the Tunnel area. Does he know the Tunnel area? Does he know how many houses are in that area? There are 70 houses in the road that faces the Tunnel area and 26 of them are boarded up. Does he know that? Is he aware that that is an area that Orangemen have processed along for over 100 years?

Mr. Hume: Why?

Rev. Ian Paisley: Because they have walked along that road. That is why. Is the hon. Gentleman saying that they must be stopped after 100 years of processing along that road? Is that his message to the House? Why are they to be stopped? However loud and powerful is the hon. Gentleman's voice, it is not his voice to which members of the Government Front Bench will listen. Instead they will listen to the voice of Peter Barry, who has been highly exalted by the Government and has the right to speak on behalf of the minority and to make representations on its behalf. I wonder what part of the minority Peter Barry has the right to speak for. He is not speaking for the people of Sinn Fein because they will have nothing to do with him. They would like to bring down his Government as quickly as they would like to bring down this Government. He is putting on the pressure with this procedure.

The hon. Member for Foyle tells us that the New Irish Forum would give us all peace in Ireland, but the influence in Dublin wants to stop an Orange parade that has been going on for years. I have a straight question to put to the Government: are they going to stop traditional Loyalist parades? If they are, they must stop traditional national and Republican parades. Will they do that? No, they do not want to hear about it. Some of them do not even know that there is such a thing. They think that we are so bigoted in Ulster that we would not allow such a parade to happen.

What has happened in the areas where there is so much confrontation and talk? Houses have been built and Republicans and Roman Catholics have been housed there. Immediately they get into those areas they say that they will change what happens there. Therefore, Unionist public representatives know that if these people are housed in these areas they will want to change the procedures there. The hon. Member for Foyle must know that that puts public representatives into an impossible position. They must take a stand on this issue.

There is no need for any talk about re-routing this parade. There is no need to cancel the parade at the Tunnel. There was no need to cancel the parade in Castlewellan. It was cancelled because a Roman Catholic mass was to be held on Saturday night because the Pope had said that the mass could be held then so that they could have a free Sunday. The hon. Member for Foyle should know more about this than I do. As a result, more people were going to mass on Saturday.

What would have happened if the parade had gone on Friday instead? The people were just told not to go at all. Now they have said that they want to go because it is a traditional parade ground and they have always gone this way. Will the Government listen to Peter Barry or say that they will let the traditional parade go through because they must acknowledge that there are traditional parades in other areas and they must do what is fair for all traditional parades? That is the important issue, and the hon. Member for Foyle must realise how the Loyalists feel about this.

Mr. Hume: Does the hon. Gentleman agree that any parade in any part of Northern Ireland that is a coat-trailing exercise and gives offence to the people in the area through which it goes should be re-routed?

Rev. Ian Paisley: I do not know how the hon. Gentleman can say that people going to their church service is a coat-trailing exercise. I do not understand his mentality. He mentioned the Tunnel, which is a parade that goes to a local church every year. The hon. Gentleman is saying that it cannot go the way that it has gone for a 100 years, and must be banned.

I have told the Secretary of State that he cannot do this to traditional parades. I am talking not about protest parades or instantaneous parades to deal with some matter

[Rev. Ian Paisley]

but about a parade that has gone on for 100 years. The parade in Castlewellan is a traditional one, and we should leave well alone.

We are told that the police will have difficulties, which is true. However, they have more difficulties when parades are banned. Far more police were brought into Castlewellan when the parade was banned—three times the usual number—than when it was carried out. I must speak up for the police of Northern Ireland. The police cannot live in the areas in which the voters of the hon. Member for Foyle are predominant. They can live only in Protestant and Unionist areas. In fact, at Rasharkin, in my own constituency, they have been driven out by the IRA.

Every policeman has been driven out of that area and must live among Protestants, yet how can those men live at peace among Protestant people when by a foolish Government act, dictated by Peter Barry, they get involved in confrontation with people who want to walk in traditional parades? This House had better take note of that message, because members of every section of the Northern Ireland community depend upon the police—in fact, they send for them—to protect them.

The police are being placed in an impossible position. That is unfair, and the Government should have second thoughts about this. It is not as easy as they may think. Traditional parades must be allowed to use the same routes as they have always done. Those who say that they will stop a traditional parade by force must be dealt with. If the Protestants said that they intended to stop the Hibernian march, the police would be sent to deal with them. Let us be fair and even-handed. That is all I ask, and the police deserve it.

I shall not go into detail about the state of some of the police stations on the border. They are a disgrace. A police representative told me, "We take young men and women from the best homes of Ulster who have volunteered to do the most difficult job that an Ulsterman can do, and we put them into pigsties." It is time that the Government did something about the state of border stations. They should get rid of the portakabins, and should give the policemen something to go home to after a hard day defending the people of Northern Ireland.

We have not had much joy from the Secretary of State. He told us that there will be no accommodation with killers, yet some of them are sitting in the council chambers of the Province. When we do something about it, he says that he believes that eventually "we will all act normally." One would be abnormal if one sat in a council chamber with a known murderer who says, "I want to kill you."

The hon. Member for Foyle said that Sinn Fein had a council chairman in Omagh. The Opposition Front Bench tell us that we should talk to that person, yet he said that if any Omagh council employee was shot by the IRA for wearing a police or UDR uniform such an employee was a legitimate target for IRA assassination. Am I being told that I or my party members must sit with that person, work with him in council committees and look up to him as chairman of that council? This House had better get the message — we shall never do it. If we cannot do it lawfully, as I believe we can, it will be up to the Government to take their own action, because the councils will become unworkable.

I smiled when the Secretary of State told us about councils working normally. Those councils are predominantly controlled by constitutionalists. That is why they are working normally. They are working normally in Ballymena, Ballymoney, Ards, Castlereagh and elsewhere. I support what was done by the Cookstown council. The matter cannot be discussed now as it is in the courts, but we shall see what the court decision is. Let all the councils be taken to court and let the law be tested. Let us see how strong the law is. If we fail, it will be up to the Government either to change the law or to put in commissioners if the councils become unworkable.

They have been dilly-dallying about that in Londonderry. It is surprising how people can be hoist by their own petard. When the Unionists walked out of Londonderry, Ministers told us that everything was working normally and that we did not need any commissioners. Then, when there was a rumpus, with other councillors causing trouble, the cry was, "We must have commissioners."

I am wondering whether the Minister will appoint Sinn Fein members to health boards. After all, he has under the Act a way out, and I hope that when the Minister replies we shall be told whether the Government intend to appoint them to health boards. That question should be answered tonight.

We have heard talk of speculation, but on one aspect there is no speculation. It is clear that the destiny of the people of Northern Ireland has been discussed between Dublin and Northern Ireland. A minority representative in this House knows all about it—because he goes there to be briefed — while the majority of people, including those I represent, know nothing about it. We are left out, yet they expect us, at the end of the day, to accept what they are doing.

I assure the Government that it will not be accepted. Nor need they tell me that they believe in the sovereignty of this House. Sovereignty involves not only legislating but applying laws. When there is a proposal to dilute the courts of Northern Ireland and to put on the bench there a judge appointed by Dublin, that is the beginning of the end of proper sovereignty over Northern Ireland. We shall have to wait and see what the proposals are, and the sooner we see them, the better.

If the talks continue in the way that they have been proceeding, if the speculation continues and the killings go on, and if the Government ban traditional parades, we shall be heading for a very serious crisis indeed. The sooner that this House wakes up to that, the better for all concerned.

9.47 pm

Mr. William Ross (Londonderry, East): When the hon. Member for Antrim, North (Rev. Ian Paisley) was talking about policemen being driven out of a village in his constituency, I was surprised that he did not attract the attention of the hon. Member for Foyle (Mr. Hume) to the fact that not one policeman now lives in the west bank area of Londonderry city. I believe that the last policeman to live there, Inspector Duddy, was murdered. When the troubles first exploded, there were nearly 100 members of the RUC living on that side of the river. That says a lot about the area which the hon. Member for Foyle represents.

With every passing year, we seem to go through tonight's operation more mechanically, even to the extent

of hearing much the same words from the Front Benches. As the leader of my party, my right hon. Friend the Member for Lagan Valley (Mr. Molyneaux) pointed out, we seem to have the impression each year that a massive change will take place in the system of governing Northern Ireland before we reach the same point om a similar date the following year.

We know perfectly well, of course, that we shall return next year because the Northern Ireland Unionist population will not accept the power-sharing that is being assiduously demanded tonight by the hon. Member for Foyle and the Secretary of State, and as has been demanded over the years.

The Secretary of State appears before us tonight as "Honest Hurd" because he, more than any Secretary of State in recent years, has stood up and demanded bluntly that the Unionist population should accept a power-sharing set-up in Ulster. Apparently that is the right hon. Gentleman's conception of what constitutes political and constitutional progress. Indeed, he was "Sunningdale Man" in person. We were surprised to note how clearly he revealed himself, because that attitude was carefully concealed by his predecessors and others for many years and was cloaked around with many fair words. Not that that mattered much, for most of us are used to tearing away the veil of nonsense that so often surrounds reality in this House. We are not surprised that unbending demands are being made again.

The hon. Member for Foyle told us that he wanted political and democratic development. It is a queer concept of democratic development to give a veto to a minority. That is what we are really asked for. No one has yet managed to explain exactly how that development follows any democratic principle. I have puzzled over this matter for many years, and I look forward to the possibility of it being explained to me this evening.

We are always told that if we accepted power-sharing and gave the SDLP a place in government, the IRA would melt away. I think the Secretary of State said that the support would drain away. That is utter nonsense. If a place is given to the SDLP, the IRA will simply say, "We imposed sufficient pressure to extract that measure from the Unionists." That measure will not be extracted from the Unionists by those means. The Unionist population will not have anything extracted from them by murderers or political pressure, because we are not going down that road. The sooner the Secretary of State and the House recognise that, the sooner political progress will become possible.

The Government continue trying to buy off people with titbits. That only whets the appetite and makes the position much worse. The sooner the Government realise the truth —perhaps they already do—and act upon it, the better.

I have always feared giving concessions in the face of violence, because concessions tend to increase the violence and the pressure to strengthen the position of the nationalist population in Ulster. It is not yet generally recognised that the SDLP has managed to get itself into a position where it is driven by the IRA. The hon. Member for Antrim, North drew our attention to what has happened in some councils in Northern Ireland. That certainly should be brought to the attention of hon. Members. The SDLP has simply given a place to Sinn Fein, which has been described not only by itself but by others as the political wing of the IRA—the group that articulates the IRA's political objectives. Sinn Fein has managed to get itself into a position where the SDLP gives support for council posts. The SDLP is so frightened of offending those who support Sinn Fein that it supports the representatives of the gunmen before it supports representatives of democratic, constitutional parties and even before it supports its own SDLP members who, we are told, are members of a constitutional party.

This is an unusual, damaging and dangerous position for any political party. I see no particular need for me to weep if the hon. Member for Foyle and his party wish to clasp the rattlesnake of the IRA to their breasts. If that means the end of them, I would not regret it. I clearly recall their beginnings and their willingness to lead violent mobs in the streets of Londonderry and elsewhere. I hold no brief for them.

The hon. Member for Foyle said that all elected representatives should be treated the same.

Mr. John David Taylor (Strangford): I should like to raise one point before my hon. Friend leaves the subject of the role of the SDLP and its relationship with Sinn Fein, which he has rightly analysed as being the political supporter of the campaign of murder and violence in Northern Ireland. Is my hon. Friend aware that in county Fermanagh the SDLP, whose leader is, of course, the hon. Member for Foyle (Mr. Hume), rather than accept the nomination for chairmanship of that council or the proposal of the British community represented by the Ulster Unionist party, declined that nomination and preferred to commend, propose and then support a Sinn Fein chairman of that council?

Mr. Ross: Yes, of course, and I hoped to return to that point later.

In fact, the Unionists proposed the four members of the SDLP one after the other, and each and every one of them declined to allow his name to go forward and then supported the Sinn Fein — the representative of the murderers—for the post.

The hon. Member for Foyle lamented that members of his party did not get much of a showing, and I will come back to that. One of the reasons perhaps is that most members of the Unionist population in Northern Ireland would find it difficult now to get even a razor blade between the attitude displayed by many of the SDLP council and that of the Sinn Fein councillors who sit beside them.

Rev. Ian Paisley: Is it not a fact that recently in a council committee in the city of Londonderry, an SDLP councillor proposed and an SDLP councillor seconded a motion that the tenancy for the Royal Ulster Constabulary in its premises in the Waterside should be brought to an end, and when Sinn Fein came out of the council meeting, it said, "This is our policy, the SDLP is going our way and this is the way it is going to go"?

Mr. Ross: Mr. Deputy Speaker—

Mr. Speaker: Order. I take great interest in Irish debates, and I have come back specially to listen to this one.

Mr. Ross: I apologise again, Mr. Speaker, I am so engrossed in the interruptions that I tend to forget that we are honoured by your presence and that the House is under your control again. I am sorry, Sir, I do go on putting my foot in it.

[Mr. Ross]

We have had explained to us by the hon. Member for Antrim, North the consequences of power-sharing between the SDLP and Sinn Fein, but that should cause us no surprise whatever, because the SDLP has consistently refused to give clear support to members of the security forces in the difficult task that they have.

The hon. Member for Foyle said that all elected representatives should be treated exactly the same. If elected members demand that they be treated the same, they must also be prepared to operate within the same civilised framework that all other constitutional parties accept. We do not support those who murder those with whom they disagree.

The plain truth of the matter is that the IRA and Sinn Fein are not two separate organisations. They are exactly the same organisation. If one of my hon. Friends should catch your eye in this or a later debate, Mr. Speaker, I think that he will give a clear instance which will illustrate the truth of what I have just said. Sinn Fein is the political arm of murder. Therefore, it cannot be seen or treated as a normal political party, because it is not a normal political party at all.

Sinn Fein referred to the cutting edge. Its cutting edge is murder, arson and violence, perpetuated by the IRA not only in Armagh but elsewhere. We are dealing with the renewal of the direct rule legislation for Northern Ireland, a system that has been operating for many years. It has not worked very well. Nobody is willing to say that the Government have made a very good job of it. Let me examine a few of the things that have happened during the last year. I deal first with the legislation governing the attempts to stop personation, carried out primarily by the Sinn Fein electorate at the local government elections and the wonderful claims that have been made since then about its success.

When the Bill was debated one might have thought that about half of the Sinn Fein vote was personation. I remember pointing out that it would be impossible for any party to organise personation on such a large scale as to personate more than 10,000 or 12,000 people at the maximum in Northern Ireland. I still believe that my assessment was correct. It was also pointed out during the debates that, historically, the Sein Fein vote had varied from 70,000 to 155,000 since the end of the last war. Its vote has now settled at around 100,000. If Sinn Fein had fought in all areas during the local government elections, I have no doubt that its vote would have been 15,000 to 20,000 higher than it was. There has been no drop in the Sinn Fein vote and the Government's claim has been proved to be false. My estimate that the Sinn Fein vote amounted to about 100,000 has been proved to be correct.

The matter was made worse by, among other things, insistence upon a medical card. The House will recall the long debate on medical cards. My hon. Friend the Member for Upper Bann (Mr. McCusker) pointed out that his medical card was about 30 years old and had been signed by a doctor who is now dead. He had also moved house about four times. During the debate he asked whether his medical card was still in order or whether he ought to get a new one. He was told that either would do.

I have read all the letters that have been sent to me on this subject. I have also read everything that has been said in the House. Both the Secretary of State for Northern Ireland and the Under-Secretary of State, who piloted the Bill through the House, must have a dictionary that is different from mine. The meaning of many words seems to have changed. I should like to have a copy of that dictionary before the introduction of the next Bill so that we on this Bench will be able to understand what the Government's words mean. We should not like to get it wrong again. We should like to know exactly what the words mean.

During his speech the Secretary of State referred to the meetings between the Prime Minister of the Irish Republic and the Prime Minister of the United Kingdom and pointed out that they had said that the identities of both communities in Northern Ireland had to be recognised. He also said that it would be necessary to remove some of the problems that irritate the minority. I did not hear him talking about removing irritants to the Protestant majority. Perhaps if he had said that, he could also have been called even-handed in the debate this evening.

The debate has already attracted some comment on the banning of various Orange parades in Northern Ireland. Of course, the hon. Member for Chelsea (Mr. Scott) will be perfectly well aware that the net was originally cast very much wider than Castle Wellan and the Tunnel. A number of other places were looked at, but wiser counsels have prevailed in the vast majority of cases, because 99 per cent. of the parades, by both factions, that take place every year in Northern Ireland pass without incident and in most of the cases where there are incidents they are created by a very small number of people.

It is equally true, as has already been said, that it is far more difficult to stop a traditonal parade than it is to keep it moving through the area. I have had some experience of controversial processions and parades over the years and I think that I know rather more about such things as far as Northern Ireland is concerned than any hon. Member on the Government Front Bench. My advice is similar to that of the hon. Member for Antrim, North—that a traditional parade should not be stopped. It should be brought together in as orderly and disciplined a fashion as possible and taken as quickly as possible through the area in question. Occasionally there are jams, but they do not happen very often, and it is very much easier to recognise people's right to continue to do what they have been doing for many years than to cause confrontation, which is desire by no one but which will almost certainly result in certain areas.

I can recall very clearly some difficulties in my own constituency last year. There was a problem, but it was largely overcome by the police keeping things moving in difficult circumstances. I do not believe that even that parade, which does not enjoy a high reputation, could easily be stopped. It is better in the long run to get these things over and done with and everyone away home as soon as possible.

I read with interest the comments of the Home Secretary yesterday, when he told the House that he was going to get the police to brief hon. Members on the difficulties in their constituencies as a result of IRA activities. I have been a member of the House since 1974 and I do not recall the Home Secretary or the Secretary of State ever asking me and my hon. Friends to come along and be given a detailed brief on the terrorist situation in our constituencies. Of course, I have my own means of finding these things out when I want to, but we have to do our own digging. Perhaps we could be told what is so peculiar about the present situation caused by the IRA

bombing campaign in England that makes it necessary that all hon. Members who might possible have an involvement should be given a detailed briefing when it has not been found necessary to do this, in far more difficult circumstances, in Northern Ireland.

Mr. John David Taylor: I certainly agree with the comparison that the hon. Member draws. It is especially relevant to the opening speech by the Secretary of State, when he emphasised that a terrorist bomb in a village in Northern Ireland is as important as a bomb in the Rubens hotel in London or a hotel in Brighton or elsewhere.

Of course, that is not so, as is emphasised by the point being brought out by the hon. Member for Londonderry, East, (Mr. Ross), because the minute we have a bomb, defused as it was, in the Rubens hotel in London the Secretary of State brings in hon. Members for consultations. That has never happened with regard to Northern Ireland after 15 years of bombing. That shows that there is a difference of approach by the Government to terrorist bombs in Northern Ireland compared with their approach to bombs here in Great Britain. None the less, one can understand that, perhaps, the principle that has applied in Northern Ireland would be the better one to apply here in Great Britain because, after all, there are hon. Members, including Front Bench Opposition Members, who enter into private discussions with the political representatives of the terrorists.

Mr. Ross: I wonder where the Government obtain their advice. They are certainly not taking advice from hon. Members on these Benches. The advice that they took on electoral law has proved to be wrong. It did not achieve the results that the Government wanted. They are leaving themselves open to pressure from the SDLP, the IRA and Dublin. Instead of listening to advice from those quarters, they should listen to advice from these Benches—they might then find that they have better legislation.

If we are to improve the governance of Northern Ireland, what advice can we give the Government? They should stop trying to buy off the IRA by giving it concessions. They should stop trying to buy off Dublin. They should stop trying to buy off the SDLP. At the end of the day, they all want the same political and constitutional things. What is given, regardless of reason, will be claimed by each and every one of them for his own purposes.

The only way to undermine any claims is to ensure that there is no victory to claim. The Government and the Opposition talked at the beginning of the debate—as they have done for many years—as though the people and the politicians in Northern Ireland did not know what each other wanted. The truth is that we do know. On the fundamental points we are poles apart.

The Government are trying to drive us together and have a power-sharing set-up in Northern Ireland, which simply could not work, and that is leading us into difficulty. If only the Government would realise that we do not have to sit holding hands all the time trying to find out what each other thinks because we already know, we might then get somewhere rather than waste our time in endless jaw-jaw and no action.

The time is long overdue for Governments of both parties to begin returning power to the people of Northern Ireland. We formerly enjoyed three levels of government —local councils, county councils and Stormont. None of them remain, but a large part could be recreated, without any difficulty and to the great advantage of everyone in Northern Ireland, in a relatively short time.

If we are to get anywhere, if we are to start down the road that will lead back to control by the people over their own affairs, we should start now—indeed, we should have started long ago. The Secretary of State said that there must be power-sharing. He is trying to get the Assembly to go on talking until there is a power-sharing structure. He will be disappointed because it will not happen. He has said that the Assembly will continue at least until the end of the year, and will probably let it run out its life in October 1986 and not have another election.

The Secretary of State has managed to keep the Assembly going for two and a half years but, in that time, it has not done the job that it was set up to do—to produce a power-sharing executive. It will clearly not do so, and as long as it remains, he can use it as an excuse for doing nothing. On the evidence that has been presented to us by the events of the past two and a half years, and the words of the Secretary of State tonight, it appears that the sooner he winds it up, the better. Then he can start to make proper decisions. There is no point in continuing the Assembly if he knows that it will not produce the goods that he wants it to produce. Indeed, it will produce the one thing that he says he will not accept.

The Secretary of State talked about excuses. Although he is not present now, I must say that his excuses for reducing democracy and tougher security have worn right through. The sooner he forgets about making excuses and starts doing something about the problems, the better it will be for all of us.

10.15 pm

Mr. Richard Needham (Wiltshire, North): The job of parliamentary private secretary to the Secretary of State for Northern Ireland—I can say this because the present PPS is not in his seat—is rather like playing the part of the fool in Shakespeare's "King Lear". One must do one's best to keep the Secretary of State happy while the complexities, problems and vagaries of Ireland slowly drive him mad. However, a PPS has one unrivalled advantage over Ministers in Northern Ireland, in that he has the opportunity to get to know the parties and their supporters without being surrounded by security.

As well as making many friends during my time in Northern Ireland, I was left with two certainties. The first was that the Unionist people will not give up their link with the United Kingdom without a fight. I cannot believe that coercion from Britain, the pressure of world opinion, and least of all the terror perpetrated by the IRA will alter that fact. In any event, it is impossible to coerce more than 1 million people against their will and, as the Secretary of State said, it is not an option for the foreseeable future.

The second certainty was that the vast majority of the Republican people of the North will not give up their dream of a united Ireland in the foreseeable future, and that no amount of civil rights legislation or arguments about the right of the majority to decide who rules will change their minds. It is surprising that members of the Unionist party, including the right hon. Member for South Down (Mr. Powell), who came to the problem as fresh as I did, do not appear to see the self-evident truth of this determination among the Catholic community.

The right hon. and learned Member for Warley, West (Mr. Archer) made an astonishing speech. He spent most

[Mr. Richard Needham]

of his time attacking the Government's business managers and the rest of the time explaining that he would not talk about Labour party policy because he had discussed it somewhere else on another occasion. Indeed, he was so effective that neither the right hon. Member for Barnsley, Central (Mr. Mason) nor the right hon. Member for Mansfield (Mr. Concannon) stayed to hear him. However, it is evident that, whatever the Labour party might be, it is not integrationist. I repeat that the Irish nationalism that exists in the community will not wither or die. As the hon. Member for Foyle (Mr. Hume) said, it has been there for the past 60 years and it is likely to remain there for the next 60 years unless we can find a way of providing some form of expression of the Irish identity for that community. I also accept that there will be Catholics who will vote for the right hon. Member for South Down. I know some of them. I also accept that there will be Protestants who will vote for the SDLP. But there will not be many in either case, and they will not matter.

Mr. J. Enoch Powell (South Down): Yes, they will. There are several thousand.

Mr. Needham: Although I accept the right hon. Gentleman's point, the fact remains that the vast majority of the Catholic community will stay true to its dream of a united Ireland, whatever the right hon. Gentleman may do in looking after his constituents. I met one of the right hon. Gentleman's constituents only the other day at the Cambridge Union. He was singing the praises of the right hon. Gentleman, but also said that his English student friends did not dare to go into the shops at Warren Point because he could not advise them of their safety. "[HON. MEMBERS: "Rubbish."] It is not rubbish.

Mr. John David Taylor: There is a great danger—it often happens in the press and the media in England—of confusing the term "Catholic" with the term "Republican". Thirty eight per cent. of the voters in Northern Ireland adhere to the Catholic religion, but only 30 per cent. are Irish Republicans. I object to the way in which the hon. Gentleman implies that all Catholics are Republicans. The Alliance party has Catholic leadership, a Catholic Chief Whip and many Catholic members. The Ulster Unionists also have Catholic supporters—they are not all Irish Republicans. That must be emphasised time and again.

Mr. Needham: The right hon. Gentleman is right to say that 30 per cent. — the vast majority of the nationalist community — are members of the Catholic Church and the Alliance party make up slightly less than 10 per cent. of the total vote. Obviously I accept that some Catholics vote for the Unionist party. However, I repeat that the numbers are incidental. If the hon. Member for Foyle were present, he would tell the House that considerable numbers of people who are not of his faith or background also support him. Whatever the right hon. Member for Strangford (Mr. Taylor) may say, that will not alter the basic truth that the nationalist community in the North will remain, as the right hon. Gentleman well knows.

My point is that Northern Ireland is one of those situations, not entirely unique but nearly unique, in which it is perfectly possible for both sides to argue their legitimacy and to say that God and justice are at their backs. But, as Dean Swift remarked 300 years ago,

> "We have just enough religion to make us hate, but not enough to make us love one another."

That has been evident in tonight's debate.

The real question is, is there any way forward, or must Secretary of State after Secretary of State be driven to madness in his quest for a solution? I still believe that there are grounds for at least believing that the position in the Province need not go on endlessly, as it has.

The Forum report was not one of the least biased documents that I have read, in terms of its analysis or description of the problem. However, for the first time a fundamental tenet was accepted on behalf of the constitutional parties of the South which is necessary if there is ever to be a solution: the people of the South and their representatives accepted that without the support of the majority of the people of the North there would be no solution of any sort.

It has surprised me for a long time that the Irish, who are renowned for their charm, wit and powers of seduction, have never made any serious attempt to use those attributes on their northern cousins. Why they believe that the heavy-handed English would be more adept in persuading Unionists to reach agreement with the South is beyond me.

If it is accepted that the constitutional parties of the South are prepared to look towards an agreement through compromise rather than through threat or fear, in the long-term—not in the short-term—there may be some hope. Hon. Members on the Unionist side have accepted through fair employment and civil rights legislation and through that admirable booklet "The Way Forward" that there is, and must be movement towards an agreement.

The right hon. Member for Lagan Valley (Mr. Molyneaux) asked why there was no coalition in Britain in view of the unemployment here. That is not the parallel. The parallel is to compare the problems of society in Northern Ireland with what happened here during the last war. If one multiplied the number of deaths, murders and the amount of mayhem that exist in Northern Ireland, the position is very different from the one that exists here. All party political leaders would have to consider carefully whether they should join together to find a solution to an unconstitutional party, such as Sinn Fein-IRA, if it threatened to destroy us. I thought that the right hon. Member made a case for the type of discussions that the Secretary of State said were so important.

Rev. Martin Smyth (Belfast, South): Does the hon. Gentleman accept that recently there was some turmoil in England, Scotland and Wales arising from the miners' strike? There was violence and mayhem, but there was no clear coming together of the Opposition with the Government to try to resolve civil strife. Is it not utterly ludicrous to suggest that when people are killing us we should join hands with them, especially when Sinn Fein now has the open backing of the SDLP, as we thought it had?

Mr. John David Taylor: It should have had Scargill.

Mr. Needham: To draw a parallel between Mr. Scargill and the miners's strike and the number of murders in Northern Ireland is as ridiculous as it is to suggest that the parties should not come together.

Rev. Martin Smyth: The hon. Gentleman must not go too far.

Mr. Needham: I was not trying to go too far. I was saying that the right hon. Member for Lagan Valley cannot compare unemployment here with the problems of Northern Ireland. That is not a fair comparison.

It is clear that, however well direct rule may have worked—I can understand that in some ways it has—it must be the second-best option for the British Government. I should have hoped that all those who represent the people of Northern Ireland in the House would have had their minds concentrated by the threat of the Provisional IRA and would have tried to find methods of working more closely together than they have in the past.

I do not believe that that will happen overnight. This evening's debate has clearly shown the difficulties in achieving that. I would sound a note of caution to the hon. Member for Foyle were he here, and to the Irish Government. There is a great deal of talk in southern Ireland at the moment about the possibility of what I might call a great leap forward—a fast move towards a final solution. The problem with exaggerating leaps forward is that they often end up in the dark.

The hon. Member for Foyle must explain what will happen to the initiative in which he puts so much faith if reasonable men after a reasonable time for good and understandable reasons do not agree that major steps can be taken at the moment which are saleable to both communities. To build up hopes only for them to be shattered plays to the wishes of Sinn Fein as much as have the activities of some councils in the last few weeks. I agree with the hon. Member for Foyle about that.

The chances of working toward better co-operation between the two sides is more likely to be successful with a step-by-step approach than by pinning too many hopes on some great solution from the two Governments.

I hope that agreement can be reached by the two Governments, but an arrangement will stick only if it takes into account the two certainties which I mentioned earlier. Those two self-evident truths are that the Unionists will never break their links, and that Irish nationalism in the North will not disappear.

There is no cross-community support for an agreed solution, but that does not mean that the British Government can fall back on the assumption that direct rule will solve the problem. The Government must continue to do everything that they can to bring about devolution. It is difficult to see how the politicians of the North can exercise power if they are not given responsibility. They do not now have responsibility. It is not possible for British politicians, who are remote from the problems, to appreciate, as Northern Ireland politicians can appreciate, what it is necessary to do.

The British Government must push equal opportunity into every aspect of life in Northern Ireland. The rules on flags and emblems which cover Northern Ireland, and the regulations on street names and all the other paraphernalia, would be laughed at if they applied to Wales. I appreciate the problems for the Province, but changes must be made. I was unconvinced by what the hon. Member for Antrim, North (Rev. Ian Paisley) said about the need for marches to go down particular roads. Just because something has happened for 100 years does not mean that it must continue for another 100 years. In Britain the routes of marches are decided by the chief constable, taking into account the effects on residents. That should not be impossible in Northern Ireland, particularly amongst people who are proud of their British links.

I firmly believe also that it is important to build on the ties between the Irish and British Parliaments. The hon. Member for Foyle said that the problems were not about relations within Northern Ireland. What are they about if not about relations within Northern Ireland? A million or more Irish people have lived in Britain and have not needed great assistance from Government about what they do. Unfortunately, that is not the case in Northern Ireland. Equally, many English people have made their homes and lived happily in Eire. The problems of the North will not be solved by some great leap, but they can be solved in time if both communities work together. I was much heartened earlier this year to hear a group of Members from all the constitutional parties of Northern Ireland singing "We shall overcome". I am sure that that can happen, but my message to the House, to the Irish Government and to the hon. Member for Foyle is that we should not expect it to happen all at once.

Mr. Deputy Speaker (Mr. Ernest Armstrong): The occupants of the Front Benches hope to catch my eye at 11 o'clock. The time is shown by the clock over the Door and not on the digital clocks, which seem to have gone wrong.

10.35 pm

Mr. Martin Flannery (Sheffield, Hillsborough): I emerge from these debates feeling more depressed than ever. If we are left with the two major groupings in Northern Ireland, it seems that there is no hope. We shall continue discussing the issue endlessly unless the British people intrude at some stage. Speaking from this side of the water, I feel that I am intruding on a recital of private grief. Listening to those who represent the two major groupings in the House is rather like being transported to Ulster. I should love the British people to listen to these debates. There is a sense of hopelessness and the two sides which have struggled this evening seem to feel that the struggle will continue for ever. They do not produce any plans that are designed to solve the problem.

I have considerable respect for the right hon. Member for Lagan Valley (Mr. Molyneaux). He delivers his speeches with immense moderation, but his grave underestimate of the forces ranged against Unionists emanated from almost his opening sentence. He suggested that events in Northern Ireland reflect a desire on the part of those engaging in shooting and bombing to be wicked. That implies that they have no cause to do so. Those who are using the bomb and the gun are deeply convinced politicos, and to fail to understand that is to fail to understand their motivation. They will continue to fight because the Ulster Unionists want to return to the old Stormont regime.

Hon. Members talk about the past and the marching season. They talk about marching through an area—I do not know whether this is true—in the knowledge that it will be an act of sheer provocation for those against whom they are ranged. The marches continue year in and year out. One can visualise the rolled umbrella and the sash which father wore, which was worn by Willy and so on. They parade up and down with the pipes in the obscenity of the marches, but no solution of any kind is forthcoming from them.

[Mr. Martin Flannery]

When I used to speak to my constituency party it never wished to discuss the Irish problem, but for the past two years the local party has asked for a report on Northern Ireland. The subject has been asked for. The Northern Irish Members talk to us as if we are foreigners and the Ulster tail wags the Westminster dog. It is time that the British people began to intervene or it is clear that no hope is emanating from the Northern Ireland Unionist parties.

The political struggle that takes place seems alien to many, and there are those in this place who want to re-enact it all over again. The right hon. Member for Lagan Valley told us that the Unionists had never done anything wrong. He knows that they drew a line around an area of Northern Ireland and proceeded to suppress the minority from whom they had taken land. Yet they contend that they did nothing wrong and that all the trouble came from nothing. Hon. Members laugh, but I ask those who do so to offer a solution to the problem. The barreness and the sterility of their argument means that debates such as this will go on eternally. There is never any admission of error.

If a referendum were held, we would have to come out of Northern Ireland straight away. At least 70 per cent. of the British people would say that it was time that we came out. The British people were ready to intervene, but time has gone on, and a sense of helplessness pervades us.

Mr. Nicholas Soames (Crawley): Will the hon. Gentleman give way?

Mr. Flannery: The hon. Gentleman has only just come into the Chamber, so I shall not give way to him.

No solutions are supplied, and bigotry is triumphant. The attitude to the minority cannot be accepted easily. More and more people are beginning to see this.

Recently, I went to Northern Ireland with an official delegation of my party. We went because we have to talk. A childish attitude is shown by those who say that they will never speak to Sinn Fein. I am not new like the hon. Member for Crawley (Mr. Soames). I have been here a long time, and I have heard it all. Endlessly it was said that Sinn Fein would never go to the people because nobody would vote for it. Somebody has voted for Sinn Fein now, but nobody will speak to Sinn Fein members, and they are not to be allowed in the councils, although large numbers of people have voted for them—what childish nonsense that is. In one breath, it is said that nobody will vote for Sinn Fein, and therefore it is encouraged to enter the elections, but with the other, when people have voted for it, it is said that it will not play any role in the councils and its members should go away and not darken their doorsteps again. That is childish, and the British people will not accept such childishness.

Mr. Harold McCusker (Upper Bann): Is the hon. Gentleman aware that the armed wing of the party to which he is referring has murdered a colleague of mine in the House, an Assembly Member colleague of mine, and three elected councillors in my constituency, and that members of that armed wing are in prison for conspiring to murder me and another member of my family? What advantage would there be for me in speaking to these people?

Mr. Flannery: The hon. Gentleman, as usual, overlooks the fact that on every occasion on which I have spoken on this subject, I have always admitted that I live here where it is reasonably safe, while the hon. Gentlman and his colleagues live in terrible danger. My heart goes out to them, and I respect them, and anybody else in that position. I know that the killings go in, but terrorists come over here and we know about them. However, we want to end the whole business instead of allowing it to go on for ever more, as it will if it is left to the hon. Members who have been arguing in the debate tonight.

I do not often quote Churchill, but I am doing so now. He said:

"To jaw-jaw is better than to war-war."

Was the great idol speaking rubbish? What he said will have to happen at some time.

Labour Members have gone across the water and spoken to people there. Unionists Members will not speak to anybody, but at some stage all parties will have to talk to one another because the British people will demand it. There must be a plan that will result in hands reaching across the borders, and the two sides coming nearer together. There is not the slightest sign of that happening, and therefore, our people will try to intervene to see that it does.

Mr. John David Taylor *rose*——

Mr. Flannery: The right hon. Gentleman has already intervened four times.

Mr. John David Taylor: On that point——

Mr. Deputy Speaker: Order. It is clear that the hon. Member for Sheffield, Hillsborough (Mr. Flannery) has sat down.

10.45 pm

Rev. William McCrea (Mid-Ulster): Many people who have witnessed this debate for several years now feel that this exercise is annual repetition and mere ritual. Yet, on behalf of those who sent me to this House, it is important to remind the Government that many people do not accept that direct rule is an acceptable form of Government for Northern Ireland.

Indeed, this House would do better if it listened to reality rather than to speeches such as that from the hon. Member for Sheffield, Hillsborough (Mr. Flannery). I am not sure whether the hon. Gentleman has visited one Loyalist home that has suffered loss, followed one Loyalist coffin or stood at one Loyalist grave, as I have done. Since I last spoke in this House, I have stood beside the coffin of a man from my district council area. He was simply a part-time member of the RUC—a sound, solid, honest, hard-working farmer who in the evenings sought to help his country in Her Majesty's forces.

As Willis Agnew was sitting in his car last weekend dropping off his intended wife at her home, the IRA shot him in the chest. Not satisfied with that his head was then battered in, and although he was dead, the trigger was pulled again. That gunman is the type of person with whom the hon. Member for Hillsborough wants us to enter a courtship.

On behalf of my constituents and the Loyalists of Ulster, I must tell the hon. Gentleman, "Whatever you demand, the Loyalists of Ulster will never soil the memory of those who have stood between us and the enemy by parleying with that enemy." The British Government faced Hitler and defeated those who stood against freedom. Until the day I die, I shall make no apology for fighting Sinn Fein and the murderers of my people on

every corner. I shall never betray the trust of those people, whether or not it is demanded by the hon. Member for Hillsborough.

The hon. Gentleman can parley with Sinn Fein if he wishes—*[Interruption.]* The hon. Gentleman has clearly demonstrated that his sympathy for those hon. Members who face the IRA is nothing more than crocodile tears. He would do far better if he kept his thoughts to himself instead of soiling this House with such hypocritical statements.

As a representative of this House, which believes in democracy, it is my right to defend those who believe in the right to live, and I defend that right whether my constituents are Roman Catholic or Protestant. I remind the House that many Roman Catholics joined the Protestants of Ulster and went over the top to defend the right of a free people. They faced Hitler and all those who challenged freedom.

Hon. Members should not speak as though every Roman Catholic is a Republican. Many Catholics in Northern Ireland are committed Ulster British sons and daughters, are proud of their British heritage and have stood shoulder to shoulder with Britain in time of war. The history as described by the hon. Member for Hillsborough was the biggest load of rubbish that I have ever heard. Instead of coming out with Republican propaganda, he should see the reality and tell the true story of the situation in our Province.

Unfortunately, the hon. Member for Wiltshire, North (Mr. Needham) is not now in his place. He spoke of two discoveries that he had made on visiting Northern Ireland. The first was that the Loyalists would not give up their British identity. I am delighted that he learned that, even though he thought the knowledge might result in him losing his head, so to speak.

The hon. Gentleman said, secondly, that the Republicans in Northern Ireland had a dream. I wish to make it clear that nobody is suggesting that a person in Northern Ireland cannot have a dream. But nobody who dreams of a united Ireland has the right to turn the country into a nightmare and make everybody else go through the nightmare of one coffin after another. Such a Republican dream for the future is not shared by the vast majority of the people of Northern Ireland.

I have found it strange that it should seem a sin to claim to be British when making speeches in this House. It seems a crime that I should say that I am a British Ulsterman. Crime or not, I am one. I was born into a strong Unionist family, a staunch British home, and I make no apology to anyone, here or across the water, for my Unionism or British standards and principles.

We are told by the hon. Member for Hillsborough that the people who commit murder are political folk. They are not. They are psychopathic killers. They are whole-hearted murderers with murder in their hearts. They wish to destroy not only Protestants, because the sacrifice made recently in Newry — including one person from my constituency who happened to be in the station when the bombs went off — included several honourable and decent Roman Catholics who had joined the RUC to do their bit to defend the people of Northern Ireland. Let us not have statements that have no foundation.

I listened carefully to the remarks of the hon. Member for Foyle (Mr. Hume), whose every word seemed to be swallowed by the right hon. and learned Member for Warley, West (Mr. Archer), who appeared to glance at the hon. Gentleman several times during his speech, as though hoping for an indication of approval. Let us be clear that the SDLP's hand is far from white in the troubles of Northern Ireland.

I wish that the hon. Member for Foyle was still in his place, because he misled the House. He said that wherever the SDLP was in control in local government, positions were given to members of all the other parties. The SDLP joined Sinn Fein in taking control of Magherafelt, and not one position—not even one of the simplest positions—was given to a Unionist.

The Unionists offered the SDLP the position of chairman and vice-chairman of the council, but the offer was not accepted. The SDLP had made an agreement with the friends of murderers and would-be murderers and was only too happy to give the vice-chairmanship to a Sinn Feiner who has clearly shown his colours since then. The chairman of Omagh council said that council workmen were legitimate targets. The vice-chairman of Magherafelt district council is on record as having said in the Chamber that he would back to the hilt the IRA when it declared certain people to be legitimate targets for murder.

The SDLP put the Sinn Fein member into power and joined with Sinn Fein for all other appointments. The only two councils in the Province where the SDLP did not join Sinn Fein were in the constituency of the hon. Member for Foyle. He knows as well as anyone that he wants to keep his seat safe and ensure the dominance of the SDLP in Foyle. It does not matter what happens in the rest of the Province — let Sinn Fein take the lead. The SDLP's hands are soiled.

A motion was tabled condemning the vice-chairman of the council for stating that council workers who donned the Queen's uniform were legitimate targets for murder, but the SDLP abstained. It would not condemn its Sinn Fein partners. One can easily prove from the council's records that SDLP members abstained from a vote condemning the murderous intent of the Sinn Feiners on that council.

SDLP members join the murderers when it suits them, but when it does not, they stand aside. They were offered the position of chairman and vice-chairman on the Fermanagh council, but they would not take those positions because they had entered into an agreement with their Sinn Fein partners.

The people whom I represent are sick and tired of Ministers trying to paint the SDLP members as constitutionalists. Left, right and centre we are told that the SDLP is a constitutional party. The SDLP's hand is far from clean in these troubles. As the hon. Member for Londonderry, East (Mr. Ross) said, it was the SDLP that led the parades and the civil unrest at the beginning of the troubles.

The people of Northern Ireland will not sell their birthright to anyone. We are British and British we shall remain. The hon. Member for Hillsborough said that he would threaten us with a referendum if the rest of the people of the United Kingdom said that they did not want this measure. That does not stop me from being British. By the grace of God, I shall be British until the day I die.

My constituents want to live in peace and in a place that provides prosperity for their children and to everyone, irrespective of who he is. They do not want to live with the murdering thugs who destroyed their kith and kin. I have carried to the grave two coffins bearing members of my own family circle—a 16-year-old lad, who was not a member of any organisation, and a 21-year-old lassie,

[Rev. William McCrea]

who was blown to bits by the IRA. As I said in my maiden speech, I assure the House that I shall never soil their memory or that of any other innocent victim of the troubles by putting my hand to any deal that will be detrimental to our position in the United Kingdom. Direct rule must end. The Northern Ireland people must be given devolved government. The British Government owe it to the long-suffering, patient people of the Province to stop dillydallying and to give properly devolved government to the Northern Ireland people.

11 pm

Mr. Stuart Bell (Middlesbrough): I listen always with great interest to the hon. Member for Mid-Ulster (Rev. William McCrea), as I listen to all hon. Members.

We are drawing to a close a stimulating and long debate on a subject which does not take up a great deal of time in the House, yet repeats a familiar pattern, as my hon. Friend the Member for Sheffield, Hillsborough (Mr. Flannery) said.

In a speech which he made in an identical debate on the matter last year, my hon. Friend the Member for Hammersmith (Mr. Soley) accepted the need for this continuing legislation, and described direct rule as everyone's second favourite option. The hon. Member for Mid-Ulster has indicated his favourite option, which is full devolution. Earlier this evening, my right hon. and learned Friend the Member for Warley, West (Mr. Archer) described it as not everyone's first option. He also used the words "a Shakespearean tragedy". Of course, there are many tragic aspects to life in Northern Ireland, and it is with that that all politicians in the House and elsewhere seek to cope in a very genuine fashion.

We on this side of the House have noted—and I think that the Secretary of State also referred to this—the work of the Assembly in Northern Ireland and the degree of accountability to that Assembly. The Secretary of State said earlier that the Northern Ireland Assembly still has a role to play in the affairs of Northern Ireland. He also said that its deliberations had helped him and his ministerial colleagues. I have read most of the reports on the Northern Ireland Assembly that have come to the House, and the various Committees have shown some diligence in their treatment of a number of complex issues, including those dealing with wildlife and historic churches—not perhaps esoteric subjects, but ones which have been duly analysed and pronounced upon.

I was saddened, therefore, to note the rather pusillanimous approach that the Assembly took to a proposed draft Gas (Northern Ireland) Order 1985 which came before the Northern Ireland Committee of the House today. That Committee, I am glad to say, took a more robust stance, if I may borrow a phrase of the Secretary of State which he uses in another connection, on the town gas industry of Northern Ireland: the failure of the Government properly to consult; the failure of the Government to involve employers and employees alike in what is after all a participatory democracy; the failure to exercise vision into the future of a gas industry when there is natural gas round these islands and natural gas available from the Republic; and the failure to rise above the nonsense of a monetarist policy and, for a paltry £12 million a year, to retain the gas industry. It is the withdrawal of that £12 million subsidy which will lead to the loss of 1,000 jobs.

These matters were brought up at the Economic Development Committee of the Northern Ireland Assembly, but in effect, notwithstanding an interesting cross-examination by members of the Committee of the Minister of State, they came to the conclusion,

"The Committee, having considered the arguments and discussed them with the Minister, is forced to accept that the Government's decision on the matter of closure is irrevocable."

Nothing is irrevocable in this life except perhaps death and taxes, and certainly not the closure of the town gas industry in Northern Ireland.

I sincerely hope that the Minister of State, who is not present tonight, for I know that he is in Northern Ireland, will wish to consider carefully the decision of the Northern Ireland Committee not to put the motion on the proposed closure to the House.

Mr. John David Taylor: The Minister might resign.

Mr. Bell: The right hon. Gentleman says that the Minister might resign. I am not going to offer that invitation to the Minister of State. I wish simply that he would reconsider the proposal and keep alive the gas industry and the 1,000 jobs in Northern Ireland.

Last year's debate immediately followed the debate on the All Ireland Forum report, to which the hon. Members for Foyle (Mr. Hume) and Wiltshire, North (Mr. Needham) have referred. During the past few months we have not heard a great deal about the All Ireland Forum report. In one sense, this was the result of the press conference that followed the Chequers summit when the Prime Minister made swift and sweeping remarks about the various proposals. But a certain amount of obfuscation surrounds the recommendations of the All Ireland Forum report, because talks have since been held with the Dublin Government. We are not privy to those talks. We are not sure whether they are talks about talks, or substantive talks, or talks about security, or talks about joint authority—or simply talks.

As my right hon. and learned Friend the Member for Warley, West said earlier, we were promised a further summit meeting in February 1985 but it was postponed. We had expected a summit conference in June between the Irish Taoiseach and the Prime Minister, but it has not taken place. I do not now believe that there will be a summit until November when the party conference season is over. There are to be talks between the Prime Minister and the Taoiseach at the European summit meeting in Milan, but that is not the same as substantive talks with the Republic of Ireland.

In last year's debate, the former Secretary of State for Northern Ireland, the right hon. Member for Waveney (Mr. Prior), categorised the positive aspects of the report. He described them as a serious examination of nationalist aspiration; emphasis on the importance of consent; unequivocal condemnation of violence; an attempt to understand the Unionist identity; and openness to discuss other views. It was also clear from the former Secretary of State's speech that there had to be firmness in the recognition of the Unionist cause; firmness in the acceptance of minority sensibilities; and firmness in the view that the road to terrorism or the rejection of law and order were no way forward.

It is in the light of these comments—one year on, so to speak—that we wonder out loud about further cross-border co-operation in the battle against terrorism. We wonder out loud about the creation of a security commission with the aim of enhancing co-operation between the two Governments in their mutual fight against terrorism. We wonder out loud about a British-Irish Parliamentary Council to be established by way of agreement or treaty between the Governments of the United Kingdom and the Irish Republic. We wonder out loud why there should not be an increase in the secretariat to be provided for the Anglo-Irish Council.

It is conceivable that all these measures are on the table in the discussions between the Governments of the United

[Mr. Bell]

Kingdom and the Irish Republic. It may be that we shall not have long to wait to find out, but it is right that this House should tell the Government — and the official Opposition certainly tell the Government — not to slumber on these issues, not to sleep away an opportunity to reach accommodations with the Government of the Republic of Ireland, a Government who are reaching out in order to make substantive settlements to longstanding problems.

I listened carefully to the remarks of the hon. Member for Wiltshire, North. He asked what would be the policy of the official Opposition. My right hon. and learned Friend the Member for Warley, West has enunciated on several occasions what our policy would be. If it would interest the hon. Member for Wiltshire, North and the House, I shall briefly repeat it. We believe that it must be in the national interest to have on our western flank an Ireland that is united in peace and prosperity but, like the Republic of Ireland, we also accept that without the support of the majority of the north there can be no unity. The question is, how does one achieve this support? What is the strategy that clothes the policy? How does one resolve what the hon. Member for Wiltshire, North has described as two self-evident truths; that Unionism never breaks its links with this country and that nationalism in the north will not disappear?

We believe, however, that a positive approach, closeness to the Dublin Government — which was acknowledged earlier this evening by the Secretary of State—with time, patience, care and understanding will help to bring the communities together and achieve that peace and prosperity that we all wish to have in that part of our country and of the British Isles.

My hon. Friend the Member for Hillsborough, who came in for a great deal of undue, unthought-out criticism from the hon. Member for Mid-Ulster, has played a long part in the debates in the House. He has consistently and realistically spoken not only to the country through this House but to party conference and has taken a very sensible approach to the problem of Northern Ireland. He referred briefly tonight to the awakening of conscience within the Labour party and to barrenness and sterility in dealing with the issues that confront us all. He gets from me and from the Opposition the homage that he deserves for facing fully and without fear the issues that are before us.

Sir Eldon Griffiths (Bury St. Edmunds): Since the hon. Member is speaking for the official Opposition, will he make clear to the House the views of his party on two specific matters? First, does he share the view of the hon. Member for Sheffield, Hillsborough (Mr. Flannery) that we should get out of Northern Ireland? Is that the view of the Labour party? Secondly, does he believe that the Government. Should negotiate with the political representatives of the IRA?

Mr. Bell: I thought that I had answered fully the first part of the first question, and I answered the second part earlier when I said that we believe that it is in the national interest to have on our western flank a nation that is at peace with itself, prosperous and a friend of our country, and that we should seek to achieve that unity through consultation with all the people in Ireland.

In relation to the second question, on negotiating with representatives of the IRA, I made the statement earlier that I had been on the front page of the *Belfast Telegraph* saying that we would talk with Sinn Fein, and talks mean talks. Talks, as my hon. Friend the Member for Hillsborough said, mean full and frank discussion. Had I been at those talks, my full and frank discussion would have involved telling them to set aside the Armalite and concentrate on the ballot box and the ballot paper.

I reiterate to the House, as we shall continue to do, notwithstanding barbs and asides, our total abhorrence of terrorism and all its works. To be sure, as the right hon. Member for Lagan Valley said earlier, we have seen the brotherhood of international terrorism recently in various events throughout the world. But terrorism is anathema to the very concepts of democracy in which we believe. Terrorism leaves widows and orphans, but does not find political solutions. It is very right and proper that in the debate that is to follow we shall draw proper attention to that. It must be stated very clearly that no members of the Opposition have accepted or accept violence.

The hon. Member for Antrim, North mentioned earlier 74 murders in County Fermanagh in 15 years. That situation is to be deplored whoever was the cause or the source of the murder.

The Opposition supports fully the continuation of direct rule. We accept that direct rule is the only option that we have before us tonight. It is essential for the governance of Northern Ireland. But direct rule cannot, nor should it be, used as a constitutional measure through which to discuss all matters which concern the citizens of the north and equally concern the citizens of the south.

I should like to end with a few lines of poetry:

"And not by eastern windows only,
When daylight comes, comes in the light,
In front the sun climbs slow, how slowly,
But westward, look, the land is bright."

We hope to see the day when the lands to the west of us are indeed bright—bright in prosperity, with peace in the hearts of the people who live there; we hope that that peace will bring about prosperity and the partnership between the communities to which the Secretary of State referred earlier.

11.15 pm

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Nicholas Scott): The debate has been wide ranging in subject and, at times, in decibel levels, but neither of those matters should be thought to be a ground for complaint. Any part of the United Kingdom that has suffered as grievously as Northern Ireland in recent years, whose system of government we are discussing today, is bound to arouse strong passions, and it is right that they should be expressed in this forum.

I have listened carefully to virtually the whole of the debate. After nearly four years as what I might call a creature of direct rule, I am as aware as most of the strengths and weaknesses of the system of direct rule. I believe that, with all the limitations that that system imposes on Ministers, Governments of both parties have sought to ensure that direct rule is as fair, even-handed and efficient as possible in the way that it has sought to bring about improvements in the technical machinery of government over those years.

Since 1982, as has been mentioned during the debate on more than one occasion, those Ministers who have been

part of the system of direct rule have had the benefit of an Assembly in Northern Ireland of locally elected representatives of the people of the Province. They have been able to consult that Assembly on legislation and receive directly the views of the locally elected representatives. That may have made direct rule rather less comfortable than it was before, but it has made it more efficient and responsive to the views of the people of the Province.

Yet I am aware that, however hard Ministers may have tried, however much the Assembly may have contributed to improving the system of direct rule, it is flawed. That people from this side of the water should be moved across to Northern Ireland and asked to take on responsibility for many of the matters affecting the day-to-day lives of the men, women and children of Northern Ireland is far from the ideal position. As the right hon. and learned Member for Warley, West (Mr. Archer) said, no one has it as his first choice; but many people — perhaps virtually everyone in Northern Ireland—have it as their second choice. Until it is possible to arrive at a position in which the constitutional parties in Northern Ireland can agree on a first choice that is acceptable, I am afraid that we are lumbered with direct rule. What we must seek is to make that system work in the meantime, while looking all the time for a way of devolving responsibility for day-to-day matters to a locally elected Government in Northern Ireland.

In asking the House to renew direct rule in this order tonight, I am also committing the Government to search for a better way of governing Northern Ireland — something that will restore to the political representatives of the people of the Province responsibility for those day-to-day decisions that affect the lives of people. That is not hedged around necessarily in total by the 1982 Act, about which I shall say a word or two in a moment. There is only one principle that is immutable—that there should be widespread acceptance of whatever alternative is undertaken. That is not something that is being stubbornly insisted upon by the British Government in any sense from pride of authorship; it is the only basis upon which any stable Government of Northern Ireland can be created.

The right hon. and learned Gentleman raised a number of points. The first one that I should like to nail is the suggestion that the Government are uncaring and give too low a priority to social programmes in Northern Ireland. Anyone who has seen the progress in housing in Northern Ireland in recent years, and seen the quality and number of houses being built, will recognise that that is one of the major features in Northern Ireland today.

In education, the expenditure per pupil has been steadily rising in recent years. We introduced the youth training programme a year ahead of its introduction in Great Britain.

Employment is increasing in Northern Ireland, although, alas, for demographic reasons, unemployment is also increasing. We must run very fast just to stand still. But there is no lack of effort in seeking to overcome the problems of unemployment that bedevil so many towns and cities in Northern Ireland. There is certainly no lack of will and commitment to social programmes. I wish only that the security position would improve to such an extent that some of the resources which, for the time being, must be devoted to the battle against terrorism could be devoted to those social programmes. The hon. Member for Foyle (Mr. Hume) demonstrated the hypocrisy of the men of violence and their supporters, who condemn social deprivation when, to a large extent, their activities are responsible for that deprivation.

The right hon. and learned Gentleman asked about the status of the talks between my right hon. Friend the Secretary of State and the political parties in Northern Ireland. Those talks were pursued first by my right hon. Friend and then by my hon. Friend the Under-Secretary of State. They were interrupted by the council elections. Recently my right hon. Friend had a stock-taking round of talks with each of the parties in Northern Ireland, and is now considering how best to take the matter forward in the months ahead. However, as I said earlier, we are determined to keep up the momentum in our search for an internal political solution that commands widespread acceptance in Northern Ireland.

The hon. Member for Middlesbrough (Mr. Bell) asked the Government not to stumble in their pursuit of that aim or of an agreement between the sovereign Governments of London and Dublin. Our first priority in Northern Ireland is the eradication—I emphasise that word—of terrorism. In pursuing our talks with the Government of the Republic, a priority is to ensure that the border between the two parts of Ireland is not a help to the men of terror. We shall be pursuing those talks vigorously to bring about that result in the immediate future.

The right hon. Member for Lagan Valley (Mr. Molyneaux) said that the 1982 Act is unworkable. The reason why it is unworkable is that people in Northern Ireland are not prepared to work it. He accused the Government of being unwilling to amend the Act. That is not true. If it became clear from the talks with the parties in Northern Ireland that amendments to the 1982 Act were necessary to provide Northern Ireland with a system of internal, devolved Government, there would be no bar to that as long as the principle of widespread acceptance across the community was an inherent part of that agreed way forward.

The right hon. Gentleman tried to use the analogy of the House of Commons and Government here, but the fact is that the nature of politics in Northern Ireland makes a change of the party in power almost impossible. That is the difference between the system of parliamentary democracy that we enjoy in this House and any system that could endure in Northern Ireland. A system of devolved government that can obtain widespread acceptance is the only stable alternative to direct rule, and the Government will continue to pursue that objective.

The right hon. Gentleman implied, if I understood him correctly, that the search for social and political progress in Northern Ireland was being undertaken to placate the IRA and its political supporters and advocates. That is a perversion of the truth. The people of Northern Ireland deserve those programmes in their own right. We know that the motive of the IRA is to destroy democracy in the North of Ireland and then to do the same in the Republic. We shall not falter in our determination to defeat those aims. We shall not weary of the task of defeating the IRA, and we must co-operate with our neighbours in the South in achieving our aims.

The right hon. Gentleman picked out the remarks of the leader of the Liberal party after the Home Secretary's statement about the arrests in Great Britain. Again, I must say that the right hon. Gentleman turns truth on its head. In pursuing the talks for either an internal settlement or agreement between the sovereign Governments in London

[Mr. Nicholas Scott]

and Dublin, we are not doing the work of the IRA. Every time there has been a chance of progress, either internally or internationally, the IRA has sought to prevent it and to destroy it. We are not doing their work but seeking to destroy and prevent them from doing their work.

Mr. Molyneaux: I hope that my later points will be dealt with in the next debate. I am sure that the Minister will accept that what I said about social and economic problems was the sort of thing that was said 10 years ago, which was that the IRA were in being simply because of economic and social conditions. With regard to the present, I was saying that Governments should not keep one eye on the IRA so that they relate political progress to the IRA's efforts.

Mr. Scott: We are certainly determined not to do that. The whole thrust of our policies is to defeat the IRA's aims and to eradicate terrorism from Northern Ireland.

The hon. Member for Foyle criticised the Government for our policy towards Sinn Fein. I freely accept that this is a matter for political judgment. It would be possible to move from the Government's present position in one of two directions: either towards the prescription of Sinn Fein, which is urged upon us by some people in Northern Ireland, or to give Sinn Fein equality of treatment as elected representatives. For the moment we believe that the policy enunciated by my right hon. Friend—that within the law we seek to draw as firm a distinction as possible between those who advocate constitutional politics and those who advocate violence—is the best way forward. However, I freely accept that it is a matter for political judgment, and that judgment could change from time to time according to the circumstances that prevail.

The hon. Member for Antrim, North (Rev. Ian Paisley) raised a number of points. My right hon. Friend will address himself to the question of parades and marches in his opening speech on the next order. If there are any outstanding points, I shall deal with them when I reply to that debate.

Mr. Porter: Will my hon. Friend clarify what I understood to be a statement of policy? Did he say that it was possible that the Government would be prepared to speak to Sinn Fein regardless of whether it renounced violence?

Mr. Scott: It is utterly clear that Ministers will have no dealings with Sinn Fein unless and until it renounces violence. The present balance is obviously kept under review; it is a matter which could change as circumstances change. Certainly it is rock firm that so long as Sinn Fein advocates violence Ministers will have no dealings with it.

The hon. Member for Antrim, North spoke about police stations. I know that the position in many of the small police stations by the border is unsatisfactory, but it is unfair of him to castigate the police authority or the Government for not giving a firm commitment to improving those conditions as rapidly as possible. The size of the RUC has trebled during the past 10 years. It would be surprising if that had not created some accommodation problems, but we are determined to provide the resources in coming years to ensure that in all the police stations we have both the right living accommodation and the proper protection for the policemen who must work there.

As I said at the beginning, direct rule has brought many advances to Northern Ireland. In many ways, as a result of direct rule, Northern Ireland is more efficient, stable and fair now than when direct rule was introduced. Successive Governments have sought to be even-handed and to serve the whole community, despite some of the strictures uttered by the hon. Member for Foyle. However, there is still more to do if we are to live up to our target to ensure that the people of both traditions see that their tradition is fully respected. Direct rule is a fallback situation. We cannot be complacent, and we shall certainly continue to be committed in our search for a better way.

We shall seek to persuade the parties in Northern Ireland to put aside the old ways and to seek to co-operate together. There is potentially a new situation in Northern Ireland. There are new opportunities there for internal progress. I urge local parties to take them.

Question put:—

The House divided: Ayes 160, Noes 13.

Division No. 249] **[11.29 pm**

AYES

Alexander, Richard
Arnold, Tom
Atkins, Rt Hon Sir H.
Baldry, Tony
Beaumont-Dark, Anthony
Beith, A. J.
Best, Keith
Biggs-Davison, Sir John
Boscawen, Hon Robert
Brandon-Bravo, Martin
Brown, M. *(Brigg & Cl'thpes)*
Buck, Sir Antony
Burt, Alistair
Carlile, Alexander *(Montg'y)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Chapman, Sydney
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Conway, Derek
Cope, John
Couchman, James
Dorrell, Stephen
Durant, Tony
Farr, Sir John
Fenner, Mrs Peggy
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Franks, Cecil
Freeman, Roger
Galley, Roy
Garel-Jones, Tristan
Gow, Ian
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Ground, Patrick
Gummer, John Selwyn
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hanley, Jeremy
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Haselhurst, Alan
Hayward, Robert
Heathcoat-Amory, David
Hickmet, Richard
Hind, Kenneth
Holt, Richard
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Hughes, Simon *(Southwark)*
Hunt, David *(Wirral)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Jackson, Robert
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Kennedy, Charles
Key, Robert
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Lang, Ian
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lightbown, David
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Luce, Richard
Lyell, Nicholas
MacKay, John *(Argyll & Bute)*
Maclean, David John
Maclennan, Robert
Major, John
Malins, Humfrey
Maples, John
Marland, Paul
Mather, Carol
Meadowcroft, Michael
Meyer, Sir Anthony
Mills, Iain *(Meriden)*
Mitchell, David *(NW Hants)*
Moate, Roger
Morris, M. *(N'hampton, S)*
Moynihan, Hon C.
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Nicholls, Patrick
Norris, Steven
Oppenheim, Phillip
Osborn, Sir John
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Pawsey, James
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Proctor, K. Harvey

Rathbone, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Robinson, Mark *(N'port W)*
Sackville, Hon Thomas
Sayeed, Jonathan
Scott, Nicholas
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Silvester, Fred
Skeet, T. H. H.
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Spencer, Derek
Spicer, Jim *(W Dorset)*
Stanbrook, Ivor
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stevens, Martin *(Fulham)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Sumberg, David
Taylor, John *(Solihull)*
Temple-Morris, Peter
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Trippier, David
Twinn, Dr Ian
Waddington, David
Walden, George
Wallace, James
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watts, John
Wheeler, John
Wilkinson, John
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Woodcock, Michael

Tellers for the Ayes:
Mr. Tim Sainsbury and
Mr. Michael Neubert.

NOES

Beggs, Roy
Brown, Ron *(E'burgh, Leith)*
Forsythe, Clifford *(S Antrim)*
Kilfedder, James A.
McCrea, Rev William
McCusker, Harold
Molyneaux, Rt Hon James
Nicholson, J.
Paisley, Rev Ian
Powell, Rt Hon J. E. *(S Down)*
Smyth, Rev W. M. *(Belfast S)*
Taylor, Rt Hon John David
Walker, Cecil *(Belfast N)*

Tellers for the Noes:
Mr. William Ross and
Mr. Ken Maginnis.

Question accordingly agreed to.

Resolved,

That the draft Northern Ireland Act 1974 (Interim Period Extension) Order 1985, which was laid before this House on 4th June, be approved.

Northern Ireland (Emergency Provisions) Act 1978

11.42 pm

The Secretary of State for Northern Ireland (Mr. Douglas Hurd): I beg to move,

That the draft Northern Ireland (Emergency Provisions) Act 1978 (Continuance) (No. 2) Order 1985, which was laid before this House on 3rd June, be approved.

I make clear the Government's central commitment to firm, effective and measured security policies. I commend to the House the steady and determined professionalism of our security forces. I want to say something about the security situation, because that is the background against which we ask the House to renew the powers. I shall also set out the Government's response to the late Sir George Baker's valuable review of the operation of the Emergency Provisions Act.

Our debate earlier today recognised the wider political context in which the security situation has to be discussed. As my hon. Friend the Under-Secretary of State and I have made clear, we shall go on working for political and economic improvements. But the House should not persuade itself that positive developments in either the economic or the political life of Northern Ireland will deflect the terrorist. I agree with what the right hon. Member for Lagan Valley (Mr. Molyneaux) said about that in the previous debate, although I did not recognise the account that he then gave of Government policy on that score.

Whatever other developments there may be, security will remain our first priority. It is the first requirement in any democracy, and it is by far the most important public service. So, with the Chief Constable and the General Officer Commanding it is my job to continue to work out measures which put the terrorists under intense pressure, and bring their campaign of violence to an end. Security policy is not static, but continually changing. We would be stupid to advertise the changes, and that sometimes makes it difficult to deal with criticisms. I sometimes feel that the terrorists have a clearer idea of the efficiency and success of the security forces than some of those whom the security forces protect, but perhaps that is inevitable.

I understand fully the strength of feeling about old and recent tragedies in Northern Ireland. I am informed of each and every death whenever it occurs, and I know the effect of such news. One feels the sorrow and anger—and the weight of responsibility too. We must and shall do all within our power to bring terrorism in Northern Ireland to an end. But I want to make another thing clear. No one helps a difficult situation by acting outside the law or by wild talk encouraging such acts. There is no such thing as security outside the law.

I have to hand the latest figures for violence. Such figures are, and should be, regularly given to the House. They show that so far, violence in 1985 is roughly comparable with violence in 1984, which saw less violence than any year since 1970. I report the figures to the House every month, but I shall not repeat them now in case I should be accused of being complacent about them, for I recognise that such figures can never give a true picture of the human tragedy which they represent. Each entry in the statistics is a new misery, and each entry should harden our resolve to continue to find ways of overcoming terrorism.

[Mr. Douglas Hurd]

The RUC has borne the brunt in recent weeks. Total casualty figures have not increased, but the proportion of them borne by the RUC has increased. Since January, 19 police officers have been murdered by terrorists. As I would expect, the RUC has responded with calmness, with high professionalism and cool determination. The Chief Constable and all his officers have earned, deserved, and received, our greatest respect and appreciation. The RUC has relied on, and been given, the support of the regular Army and the UDR. In both cases, that support will remain essential.

Sir Eldon Griffiths (Bury St. Edmunds): My right hon. Friend will know that an investigation is still going on into the Newry and Killeen incidents. When he has had an opportunity to study those reports will he take into account, in particular, the concern about whether adequate Army protection is available to the relatively much more vulnerable and targeted police?

Mr. Hurd: Yes, I shall do that. It is my experience that the co-operation between the Army and the RUC is extremely close and confident. Where there is a request for support from the RUC, the Army are quick and willing to give it.

The essence of our policy is simple. It is that the security forces should operate within the law to bring those guilty of terrorism crimes to justice before the courts. The Government will not allow themselves or the security forces to be drawn on to any other ground. Any other approach would be wrong in principle and counter-productive in practice.

This policy can provide the community with the service they need only if the security forces can be sure of the support of all those within the community who obey the law. Indeed, this is true of all parts of the criminal justice system, from the policeman on the beat to the highest court in the land. We must continue to look for ways of winning the confidence and securing the support of the whole community. Many opportunities already exist. They extend from local police liaison groups, formal and informal, through encouraging recruitment from all parts of the community to my proposals for a more independent element in the way complaints against the police are examined. They include keeping the operation of the criminal justice system under close review to ensure that it is fair and effective and that it strikes the right balance between the rights of the individual and the needs of society to be protected from violence and crime. This effort cannot be one-sided. It is not just a matter for the Government or the police. It is up to the whole law-abiding community and its political leaders to show that they hold to the basic principles that underlie our system of law and order and that they are prepared to support and sustain those who duty is to protect us all.

Of course there is room for improvement. Criticisms should be voiced and proposals made. Only a stupid Government close their ears to the suggestions of their fellow citizens, but those suggestions need to be judged against whether they sustain or undermine the true interests of security on which our freedom depends.

I should like to say something about a matter that was raised in the earlier debate, because it is an area where an immediate and practical contribution can be made to help the police during a difficult period. I am referring to the control and routeing of parades and marches, which several hon. Members in different parts of the House have already mentioned.

I endorse what the Chief Constable said about provocative parades and marches in the foreword to his annual report last year. These can lead to disorder and retaliation, and they require the deployment of considerable police resources that could be put to much better use in countering the terrorist threat. I suggest that limitations to the traditional routes are not a restriction on individual liberties and that a responsibility rests on the organisers of all parades—traditional or non-traditional — from both communities to show a greater understanding of the difficulties that the police face. They should show more flexibility than has sometimes been shown in the past over the choice of routes.

The Chief Constable has said that he will be ready to impose conditions on a march if necessary, but that should be a last resort. We are not talking about a general or inflexible policy but about local discussions between the police and the organisers and decisions taken one by one by the Chief Constable in the light of local circumstances.

Mr. John David Taylor (Strangford): As the right hon. Gentleman quite properly states, the routeing of parades is a matter for the Chief Constable and not the Executive. That being so — and as the right hon. Gentleman in a written reply to me after St. Patrick's day confirmed that the Irish Republic Government had made representations about the routeing of parades in Northern Ireland — will he reject the right of the Dublin Government to influence the routes of parades when the Executive of our own country does not interfere with police decisions?

Mr. Hurd: The right hon. Gentleman knows the legal position. If there is a suggestion that a parade should be banned — *[Interruption.]* I am trying to complete the picture, because the picture given by the right hon. Gentleman was incomplete. If there is a proposal that any parade should be banned, that requires my approval. If it is a suggestion that a parade should be re-routed, as the right hon. Gentleman correctly said, that is a matter within the operational responsibility of the Chief Constable. These are not matters for outside intervention. They need to be decided in the light of a careful assessment of each local situation and the priority which I hope all hon. Members, leaders of constitutional parties and those concerned with the security of the Province, would give to the maintenance of public order.

There is a case in the future for looking at our public order legislation as it bears on the control of parades and demonstrations, especially in the light of the Home Secretary's recently published paper on this subject. That is a matter which I shall be examining carefully.

As we know, terrorists are at present active, particularly in border areas. Hon. Members who represent constituencies in those areas know that better than anyone else. Only the most determined and sustained effort in those areas will deal with the threat. In this task, our security forces in Northern Ireland depend crucially, as many incidents have exposed, on the co-operation that they receive from the Irish Republic. Nobody who wants to be taken seriously in discussing security can ignore that fact.

The efforts that the Garda already make have saved lives. But I would like to see, as I am sure the whole House

would like to see, more intense co-operation at all levels to help counter the threat along and across the border. The Irish Government are, of course, well aware of our views. They have made no secret of their abhorrence of terrorism. The defeat of terrorism is as much in their interest as it is in ours.

I hope that the Garda and the RUC will find more ways of working more closely together and that, in the natural course, meetings will be held at all levels, including at the most senior. We all have much to gain — and the terrorist has most to fear—from better co-operation and a close understanding with the Irish on security matters. That is why Sinn Fein and the IRA are so strongly opposed to our present discussions with the Irish Government. They know what they have to fear from more effective security co-operation. They do not want to be throttled or deprived of the border as an operational asset. Therefore, they hope and work for the breakdown of discussions between the British and Irish Governments.

Some concern has been expressed recently, in the House and elsewhere, about the resources available to the RUC, now that the RUC has primacy in conducting the security policy. We shall continue to provide the necessary level of support, and such support is the first claim on my budget. Expenditure on the police service has quadrupled in real terms in the last 12 years. To a large extent, this reflects the growth in the size of the RUC in recent years.

There have been three increases in the authorised establishment of the force in the past four years, raising the ceiling of the regular RUC and the full-time reserve to a total of 11,000. When we have filled the few hundred remaining vacancies in the next few months, the overall strength of the force will have doubled in little more than nine years. The number of civilians working in direct support of the RUC has increased over the same period from 860 to almost 2,000, thus releasing police officers from administrative to operational duties.

The net result is that the total man hours worked by full-time officers of the force during 1984-85—which is the most reliable indicator of the police effort—rose to its highest ever annual level of 23·1 million. It is right that such a large commitment of resources should be carefully managed to ensure that it is directed to the sharp end of policing and to our main priority, the defeat of terrorism. I therefore welcome the work of the police authority and the Chief Constable on the efficient management of these resources.

I do not suppose that anywhere in the world — certainly anywhere in the western world — there has been such a rapid expansion of a police force to deal with a particular threat in so short a time. Of course, it creates problems—as my hon. Friend the Member for Bury St. Edmunds (Sir E. Griffiths) will know from experience — some of which we have heard about, such as accommodation. Those are problems that we must tackle with as much speed and effectiveness as the build-up of the force. The build-up of the force and its spirit and professionalism after such a rapid increase is a notable achievement, not principally by Government but by the RUC and the community from which its members are drawn.

Mr. John Hume (Foyle): Will the right hon. Gentleman explain to me and to many people in my constituency who are puzzled about this why house searches have beeen carried out by masked men in civilian clothes supported by members of the police force? Does the right hon. Gentleman support this practice? What is the reason for it?

Mr. Hurd: The hon. Gentleman has not raised this matter with me before. If he will give me details of time and place, I shall of course look into what he says.

I should like to turn to our discussion of the recommendations made by the late Sir George Baker in his valuable review of the Northern Ireland (Emergency Provisions) Act 1978. The Act gives the security forces and the courts additional powers to counter the terrorist threat. Sir George concluded that there was little scope for fundamental changes to the Act but considered that in some areas it could be adjusted and that some powers could be given up. I have already made it clear that we accept the broad thrust of the review, and I should now like to set out briefly our main conclusions, which will be incorporated in a Bill to be brought before the House when the parliamentary timetable permits.

Sir George recommended that the detention provisions of the Act, which remain on the statute book although not in force, should be repealed. As I said in December, I cannot foresee these powers being used in anything other than a short-term crisis of major proportions. Obviously, we hope that we shall not face such a crisis. After much thought, I have come to the conclusion that if such a crisis were to arise in a recess when we had dropped this reserve power, it could be difficult to offer the Northern Ireland people the protection that they would need. I have thought about this matter carefully, and I have decided that the prudent course is not to accept this recommendation but to retain the detention provisions on the statute book.

I have carefully considered the recommendations in the report about the types of offences that would be brought before non-jury, or Diplock, courts. I think that we all want a restoration of jury trial for all offences in Northern Ireland. I am sure that Sir George was right in concluding that restoration of jury trial is not possible in present conditions. I therefore propose that, in accordance with Sir George's recommendations, schedule 4 to the Act should be amended to increase the Attorney-General's discretion to certify cases out of the scheduled mode of trial. My right hon. and learned Friend the Attorney-General considers that it is right to retain this discretion for himself, although Sir George recommended that it should be delegated to the Director of Public Prosecutions. We shall frame our proposals in the light of my right hon. and learned Friend's decision. The list of cases to which such discretion will be extended is not precisely that proposed by Sir George, but in substance I accept his recommendations and they will be included in the Bill.

I have decided not to accept the recommendation that a judge should have discretion to dismiss the jury in a jury trial and continue in the schedule mode, that is without a jury. We believe that, in those circumstances, retrial of the case is the better course.

Sir George made a number of recommendations about police arrest powers, which, broadly, would have had the effect of duplicating the police arrest powers contained in section 12 of the Prevention of Terrorism Act (Temporary Provisions) 1984. We propose to meet the spirit of these recommendations by repealing the arrest powers in section 11 of the Act, leaving the RUC to rely on those contained in section 12 of the Prevention of Terrorism Act. That will be a considerable simplification for all concerned. Persons

[Mr. Hurd]

arrested under the Prevention of Terrorism Act must be charged or released within 48 hours, rather than the 72 hours allowed under section 11 of the Northern Ireland (Emergency Provisions) Act, although the former period may be extended by a period or periods not exceeding five days. Extensions beyond 48 hours require specific authority from the Executive and thus remain under close ministerial control. The change that I am suggesting will mean that the initial period of arrest without ministerial involvement will, in all cases, be 48 hours, and the maximum period will be seven days. So far as the Army's arrest power is concerned, no final decision has been taken on the need for or form of any modifications to section 14, but I intend that a power of Army arrest should be retained.

Like Sir George, the Government endorse the present practice of the courts in bail applications. I suggested in December that, as the practice seems satisfactory, there might be no need to amend the law. But, having thought about it again, I think that it would be right to change the law. I therefore propose that section 2(2) of the Act should be recast to move the onus in bail applications towards the prosecution. That would be in line with the present practice of the courts. Section 2(4) should be repealed, as Sir George recommended, and section 2(5) widened to include members of the RUC and RUC reserve.

The practice of the courts in respect of the admissibility of confessions was endorsed by Sir George Baker.

Mr. Peter Archer (Warley, West): Does the Minister have it in mind to accept the overall period of 12 months?

Mr. Hurd: I am coming to that shortly. I had passed to the admissibility of confessions. The present practice was endorsed by Sir George Baker. I feel inclined to reflect in section 8 of the Act the principles that the judges now apply.

The last of the major changes recommended by Sir George Baker was that the temporary provisions of the Act should be reviewed annually by Parliament, and should have a maximum life of five years without re-enactment. In this, Sir George follows the pattern that Parliament has already adopted in respect of the Prevention of Terrorism (Temporary Provisions) Act 1984. His recommendation is a welcome restatement of the clear responsibility of Parliament and of the Government to consider afresh whether any emergency provisions should continue and, if so, in what form, and I accept his recommendation.

I should like to touch on another set of recommendations contained in the review. I have studied carefully those recommendations that bear, or could bear, upon the problem of delays in the judicial system, including his recommendation of a time limit of 12 months on the period between committal and trial. I am considering this and other possible ways of reducing the length of time between first remand and trial because I accept that this is a vulnerable aspect of the present judicial system. My right hon. and learned Friend the Home Secretary has decided, as the House knows, to mount field trials in England and Wales on a system of statutory time limits. I am not sure that all the same considerations and all the same possibilities exist in Northern Ireland, but I am in touch with my right hon. and learned Friend, and I will watch progress with the trials with interest to see whether there is scope for doing something similar in the different circumstances of Northern Ireland.

I am also giving thought to the proposal by Sir George Baker that some way should be found to increase the maximum remand period in scheduled cases to 28 or 30 days. The current situation is unsatisfactory, as hon. Members with direct experience will know. At present, all such persons have to be produced before a magistrate once a week, but the magistrate has no power to grant bail and can only remand the accused persons for a further period. Thus the process is largely, in Sir George Baker's words, "meaningless" and

"a waste of time, money and resources".

Following the precedent in England and Wales, we are already considering separate legislation that would extend from 14 to 28 days the maximum period for which, if he agrees, an accused person may be remanded in custody. There would be attractions in amending the emergency provisions Act 1978 so as to remove in respect of scheduled cases the requirement for a person to give his consent. Taken together, these changes would give magistrates the discretion to remand persons accused of scheduled offences for up to 28 days. This would save a good deal of unnecessary court time and other resources —resources that could be better used in minimising the length of time between first remand and trial. Defendants who did not make weekly remand appearances would still have regular access to their solicitors and other visitors, and could make bail applications in open court at short notice. I recognise that the arguments are not all one way, and that is why I have laid both sides of the argument before the House, but I believe that the balance of the argument points to an amendment along the lines that I have described. When the time comes, the House will have ample opportunity to look in detail at the proposals because they will require changes in the law.

I have been unable, in the short space of time available, to do full justice to each of Sir George's recommendations, but I hope what I have said illustrates the broad thrust of our response. The Government will put legislation before the House when they can, certainly during the lifetime of this Parliament.

Mr. Harold McCusker (Upper Bann): The Secretary of State has studiously avoided referring to Sinn Fein, yet the Baker report is shot through, from the first paragraph to the end, with Sir George Baker's astonishment that this organisation is allowed to exist. He states that be believes that IRA murderers could be proved to be the agents of Gerry Adams and his Sinn Fein associates. A few months ago the Secretary of State assured me that he would address himself to the Baker recommendations, yet he has ignored doing so tonight. Will he please say something about those recommendations?

Mr. Hurd: I looked carefully for the hon. Gentleman and referred in reasonably complimentary terms to him in his absence during my first speech, when I dealt at some length with the Government's attitude towards Sinn Fein. Further examination is required of Sir George Baker's recommendations. I am not enamoured of his particular proposal, but if the hon. Gentleman will read in *Hansard* what I said earlier about Sinn Fein he will see what the Government are doing about it.

I believe that the modifications I have mentioned will represent steps towards restoring normality to Northern Ireland. They are small steps, perhaps, but they are worth taking. Because our security policy is not static I shall continue to keep a careful watch upon it, and also upon its

legislative basis. Our policy cannot be inflexible and unimaginative. If it is to succeed, it must be capable of responding quickly to changing circumstances.

As for the motion before the House this evening, I do not believe that it could possibly be argued by any realistic person that the security forces and the courts do not need the powers granted by the emergency provisions Act to enable them to combat terrorism. I should be amazed if, in their hearts, those on the Opposition Front Bench, who now have the same length of experience of these matters as I have, had come to the conclusion that these powers are unnecessary. I shall be interested to hear their views on this subject.

We have seen a number of appalling terrorist outrages around the world in recent weeks, including in Northern Ireland, and many Governments are urgently reviewing the steps that can be taken to meet the terrorist threat. Northern Ireland continues to face a vicious terrorist campaign that has resulted in an intolerable loss of life. Some improvement has been achieved, but we are emphatically not in a position to relinquish measures that undoubtedly save lives, for without them the men of violence would be able to operate with greater freedom and to even greater deadly effect. Therefore, I confidently invite the House to agree to extend the life of the 1978 Act by a further six months.

12.13 am

Mr. Peter Archer (Warley, West): The time available for this debate is relatively brief. That is a consequence of the manner in which the Government have tabled their business, so I assume that that is what they intended. One consequence, which may not greatly trouble the Government, is that my contribution to this debate must be brief. That is made easier because on successive occasions over the past two years I have had the opportunity to expound in some detail the Opposition's views on the emergency provisions Act, and anything I say on the subject tonight will be in the nature of repetition.

It was kind of the hon. Member for Wiltshire, North (Mr. Needham) to regret that in an earlier debate I did not repeat in detail what I had said on previous occasions. I do not propose to do so in this debate either. If he was not in attendance on any of the occasions when I said it, I can direct his attention to the *Official Report*. This will not be an extended contribution, but since the Opposition propose to divide the House on the motion I owe it to hon. Members to offer a brief statement on our position.

In an earlier debate today I spent some time repeating what I have said on many occasions and what perhaps hardly required saying—that there is no issue between any of the parties in the House, certainly not between the Government and the official Opposition, on our attitude to violence. We all wholly condemn the unlawful use of violence in the pursuit of any political objective, whether in 1920 or in 1985. The question is how people can most effectively be protected from that violence.

In an earlier debate I referred in passing to two questions: how can we remove the economic and social grievances which provide a recruiting ground, particularly among the young, for paramilitaries of either persuasion; and how can we resolve the political issues that give rise to such a sick and distorted sense of mission and isolate the men of violence?

In this debate I want to pose a third question. How can we ensure that the measures that we take to safeguard law and order are effective and not counterproductive?

Our anxieties about the emergency provisions Act are on three matters and I shall do no more than refer to them because I have developed them all on previous occasions.

The first question in our minds is whether the powers are necessary to enable those who have to enforce the law to do their job. The right hon. Gentleman said in somewhat sweeping terms that he would be amazed if anyone could doubt the proposition. I have ventured in the past to doubt the proposition and I have given my reasons in detail. I only say tonight that we recognise, as we have always done, that we charge those who have to enforce the law with a difficult and frequently dangerous duty, and we owe them support in the discharge of that duty. But to offer them powers which are not necessary is not an effective way of giving them that support. It is quite the reverse. To do so is to create unnecessary problems, for reasons to which I shall refer in a moment.

I noticed yesterday that the Home Secretary was anxious to emphasise that in discovering the recent plot the police availed themselves of certain powers in the Prevention of Terrorism Act. We may be told more about that at a later date. But he never suggested that the powers in the emergency provisions Act assisted them in any way, and it is difficult to see how they could have done.

The very name of the Act that we are considering today emphasises that these are powers which were taken because the authorities were facing an emergency. They recognised—quite rightly—that it was not be regarded as a normal way of conducting our affairs. I hope we all agree that we ought not to let ourselves be coerced by men of violence into departing more than is essential from our normal way of life, or they will have achieved their objective.

In the course of the debate on the Baker report on 20 December 1984, the right hon. Gentleman said, and he said it again today, that he had considered section 12 of the Act, which permits detention without trial. That provision has not been used since 1975, when my right hon. Friend the Member for Morley and Leeds, South (Mr. Rees) announced that he would no longer avail himself of it. The Secretary of State had been asked—and he has obviously directed his mind to it again tonight—why, if it was never used, it was allowed to remain on the statute book. His answer, as I understand it, is that a situation might occur, perhaps when Parliament was in recess, when he might feel a need to use it.

I do not believe that that is a proper approach to emergency powers in a free community, when we have these powers not because they have been shown to be necessary but lest they might become necessary at some hypothetical time in the future. I could go through the powers one by one, as I have done in the past, and show that there are other powers available to the authorities to do what they may wish to do. I cannot do that tonight, for obvious reasons.

Our second anxiety about the Act is that it is literally counterproductive. The Secretary of State quite rightly emphasised that the law can be upheld only by lawful methods. The most effective way to combat crime of any sort is to ensure that the community believes that the legal system and those who enforce it are not only lawful but manifestly fair and that they protect the legitimate interests of all law-abiding sections of the community. Then,

[Mr. Peter Archer]

indeed, they will support the police, provide information, offer themselves as witnesses and express their disapproval of those who break the law.

That is not the case in Northern Ireland at the present time. An opinion poll published in the *Belfast Telegraph* on 6 February showed that nearly two thirds of the Catholic community believed that the legal system was unfair. Of course, some things are perceived as unfair because they manifestly are unfair. That is true of some practices associated with what have come to be called the supergrass trials. But again, I have elaborated on that in the past and in this limited debate it would not be fair to others who wish to speak if I repeated it.

I wish to emphasise only two things. It makes no contribution to dealing with paramilitaries to convict the wrong people. Not only illegality but unfairness in any system which depends upon public co-operation is counterproductive. Those who invoke Satan to cast out Satan are to be condemned not only for moral reasons but because it simply does not work.

Our final reason for opposing the order is that after 15 months the Government have still not implemented even the limited amendments to the law which Sir George Baker recommended as necessary. In the debate on the renewal order on 5 July last year, I sketched the history of the anxieties that had been expressed about the Act, the somewhat belated announcement of the inquiry and the further delayed appointment of Sir George Baker. Sir George worked with commendable energy and expedition to report in March 1984. His recommendations were not so radical as some of us might have hoped, but his report seems to have shared the fate of so many reports. It was welcomed, tributes were paid to Sir George, but there was a certain lack of urgency in implementing his recommendations. Of course, I welcome the fact that today the right hon. Gentleman has offered us his reactions, but I am bound to say that what he said hardly allayed our anxieties. It will require more than that to change our view. This is not the occasion to react in detail to what he said, but today we are considering the Act in its unamended form.

I have no doubt that I shall be taken to task by those holding a whole spectrum of various views because I have made no mention of matters which they believe to be important. Silence does not imply a lack of concern; I am simply conscious that there are hon. Members in the Chamber who were not able to contribute to the earlier debate, and this debate has only limited time. I have given this explanation only lest our reasons be misrepresented; lest it be suggested that the Opposition are insufficiently concerned with law enforcement. Any lack of concern is not ours. Those who have demonstrated a lack of concern are those who have reacted so tardily to the Baker report and those who have denied us adequate time to debate this motion tonight.

12·24 am

Sir Humphrey Atkins (Spelthorne): I shall be very brief, but I must comment on what I regard as a deplorable speech from the right hon. and learned Member for Warley, West (Mr. Archer). He knows as well as anyone else in the House that the Provisional IRA and all other terrorist organisations are evil and ruthless. So far as one can judge, they want only one thing: to overthrow the existing order and replace it with themselves. No doubt if they achieve that, they would keep order with the same methods as they used to get it. As we know, they will do anything to achieve their objectives. They will murder —Airey Neave, for example. They will murder British soldiers, Irish soldiers, and innocent citizens in Northern Ireland. They will resort to the weapon of blackmail by using the hunger strike, which happened when I was Secretary of State for Northern Ireland. They will murder indiscriminately innocent people on the mainland.

Terrorists will use any method to achieve their ends, yet the right hon. and learned Gentleman maintains that they should be dealt with as though they were people who had broken the speed limit in Sussex. I cannot believe that Labour Back-Bench Members will support him. I hope that they will not. I beg them not to support him, because the emergency powers that we are being invited to renew tonight are a weapon which we would much rather not use if we had the opportunity, but which we have used and which the people whom we hire to work on our behalf —the security forces—wish to continue to use. They believe that they are to our advantage.

Mr. Archer: The right hon. Gentleman has recounted many facts, none of which is in issue in the debate, as I thought I had made clear. Is he disagreeing with the statement of the present Secretary of State that we should deal with those people by due process of law, as we would deal with someone who broke the speed limit, or is he suggesting that there is something to be gained by unlawful methods of dealing with them?

Sir Humphrey Atkins: Perhaps I could remind the right hon. and learned Gentleman that this House and the other place make the law. We are being invited to continue a law that we have made. If we pass it, it is lawful.

The point that I am trying to make is that we are dealing with evil men. The security forces, whether they be the British Army or the Royal Ulster Constabulary, which we hire to defend innocent citizens, believe that they need the powers in the Act. Yet the right hon. and learned Gentleman says that they should not have them. If he and Labour Back-Bench Members vote against the order, they will deprive the security forces upon which we rely of a power that they believe they need. I beg Labour Members not to vote against the order.

12.28 am

Mr. Roy Mason (Barnsley, Central): I believe that the Prevention of Terrorism Act and the emergency provisions played a part in this week's dramatic good news about police operations. I wish to place on record my thanks to and praise of those Scotland Yard and special branch officers who, through diligence, patience and skill, frustrated the IRA's planned carnage at our seaside resorts. There is no doubt that police intelligence and skill, backed by our anti-terrorist legislation, has saved hundreds of lives.

If we are to combat those evil men, we must maintain the full legal armoury that Parliament has decreed should be available. There is no doubt that if our security forces had not been equipped with those legal powers, once again we would be mourning the deaths of scores of innocent British and American tourists in London. But there are many examples of terrorists slipping through the emergency provisions net. Even the present legislative controls do not stop them.

I am also pleased at the appointment of Sir Kenneth Newman, who has been given the supreme task of overseeing the hunt for other terrorists, for bomb workshops, and of eliminating the worrying possibility of one or more bombs having been placed in hotels with delayed timing devices. There is no man better equipped for that job. I know from working with him that he has the intelligence, the experience and the steel to pursue that task with the vigour that it deserves.

The Provisional IRA and the Irish National Liberation Army visit Britain in their various guises, observed at the Irish exits under the Northern Ireland (Emergency Provisions) Acts. They visit friends and relatives, mingle in the groups of football spectators to the west coast matches, attend boxing in London, and occasionally divert en route to leave a message in a covert drop, to awaken a sleeper here and there, to assemble an active service unit, to collect and store bomb-making equipment, to establish safe houses and so on. All the time in our midst some terrorist activity is taking place by the Irish terrorist groups and their friends in Great Britain. Therefore, constant surveillance is absolutely necessary. The maintenance of these emergency provisions is an arm of the law which must be continued.

Our security and intelligence officers, manning the air and sea ports of Northern Ireland, need the right, and thus the backing of Parliament, to watch faces, track their movements, and recognise the mug shots of wanted men, especially those who managed to remain free after the mass escape from the Maze prison — that college of higher learning in Irish nationalism, military discipline and terrorist activity. Yet, even some of those men have escaped the emergency provisions net. Therefore, when we hear or read of some outcry at a port in Northern Ireland or Great Britain concerning one or more persons being held and protesting their innocence—they may well be innocent — we must recognise that the Prevention of Terrorism (Temporary Provisions) Act 1984 and the emergency provisions in operation will cause some nuisance and inconvenience.

Some do-gooders will rise in anger at this intrusion into our peaceful, democratic way of life. I do not complain when they say that our civil liberties have been breached again. But what if, in that batch the special branch has collared, there are a couple, whom it has held under suspicion, who were wanting to effect a post drop, to awaken a sleeper, or to activate an active service unit? In the time that they can be held under the emergency provisions legislation in Northern Ireland or the prevention of terrorism legislation in Great Britain, it will be a failed mission. If there is no evidence against them, their return home is being frustrated, but their mission will have failed.

No doubt that has happened time and time again. There is no telling how many lives have been saved as a result. Some completely innocent people may have been held with them, perhaps even as a shroud when one in a group of travellers is a suspect. That is the price that we have to pay when terrorism and terrorists abound within our shores.

It is also important to understand that the emergency provisions and the extension of arrest time legislation give the police the time to check the forensic evidence that they have available regarding prints on guns and bomb-making equipment, and to match that evidence in the time available. I ask my parliamentary colleagues not to relax these laws. They are more important now than at any time since their inception. There may be fewer terrorists in total, but there are proportionately more hard-line callous men. The INLA wanted to prove that its way of getting rid of the British was the best. It decided, therefore, to ignore the giving of warnings to the security forces and to deal out damage and death on a massive scale, adopt a higher profile and be not concerned about the propaganda backlash. The hawks in the Provisional IRA are now bent on the same path—one evil group trying to outdo the other. It is like a competition in mass assassinations. Now, it is not just public buildings with HMG stamped upon them or hotels, with evacuation warnings given, that are attacked, but carnage on any scale and affecting anyone. That is the major change.

A great deal of that carnage coincided with and flows from the Maze break-out — 17 hard-bitten killers and mass murderers on the run who have no qualms about blasting bodies to pieces and, what is more, schooled from their Maze prison experience better than their counterparts. No doubt a steely bitterness is in their veins. The Brighton bombing was an example of that, as was last week's planned wholesale carnage.

In the light of all that, I ask my colleagues not to parley with Provisional Sinn Fein. I believe that that organisation, the councillors in particular, is the political agent of those Provo terrorists.

I have noticed that some of my colleagues have met Gerry Adams, one of the godfathers of terrorism. I remember that, shortly after that meeting in the 1983 recess, we had the Maze break-out. Adams would have known about the planned break-out at the time of that meeting. He must have been inwardly smirking at the thought of meeting true democrats on the eve of that planned murderous break-out.

I am aware that further meetings have taken place. Many Provisional Sinn Fein councillors are former Maze men. They are not ordinary criminals as we understand them, having served the sentence and wiped the slate clean. They have been retrained, rested, and refurbished, but they are more political, and let us not be kidded by the political activity with which they attempt to cloak their terrorism.

It is not just ballot box and bullet now, frightening as that is; it is ballot box and mass slaughter. Since the intervention of PSF in the local political scene, the militant element has clearly been given a free rein. One of the reasons for that is that no more elections are pending for a while. It is not unduly worried about public opinion.

I am of the opinion that those PSF councillors should also be banned from entering this parliamentary building. It is an extraordinary measure, but it should be taken against those known supporters of terrorism. They should be banned because their memories will be long and their feelings bitter and I believe that they will use any political contact for entry into the United Kingdom's most revered democratic institution.

The emergency provisions legislation can be used for that purpose. Those men are known. When they leave Northern Ireland for Great Britain our parliamentary security teams should be informed, provided with their mug shots and should bar them from entering the precincts of the Palace of Westminster. Their main purpose will not be to make political contact with known friends, or even to take advantage of appearing politically respectable. Instead, they will minutely scrutinise the security screens,

[Mr. Roy Mason]

the checking-in methods, the layout of rooms, the Ministers' sectors and where Members of Parliament, former Ministers and Ministers tend to congregate. Some of those men will have been trained for just that purpose. I say do not give them a chance. After Mountbatten, Brighton, Harrods, the penetration of these precincts on two occasions and the horrifying latest scare, we must make sure that those Provisional Sinn Fein agents of Provo terrorism are banned from this building. It will be a prime target, especially if they are seeking revenge.

In the light of what I have said, for the sake of all our peoples, and so that my party is not misunderstood, I urge my colleagues not to vote against the order tonight.

12.40 am

Mr. J. Enoch Powell (South Down): I wish to use the opportunity given by this debate to refute a common assumption which has serious consequences for security in Northern Ireland and has been one of the causes of the perversion of Government policy in dealing with it. It featured in the speech with which the Secretary of State opened the debate. I refer to the assumption that for the successful combating of the Provisional IRA the co-operation of the Government of the Irish Republic is a sine qua non.

I understand how this might appear to be reasonable and even axiomatic to those who are unacquainted with the circumstances in Northern Ireland. People might well say that it is not attractive, that the explosives used in Northern Ireland predominantly come from the territory of the Republic, that those who perpetrate murders increasingly in the areas adjacent to the frontier have been training, waiting, planning in the territory of the Irish Republic. They might ask whether it is true that the territory of the Irish Republic affords them a ready and nearby refuge after their deeds have been carried out. How then—such a person might inquire — can one dispute that it is essential for combating the provisional IRA to gain the co-operation of the Government of the Irish Republic? There are two distinct and separate reasons.

The first is that there is no such thing as co-operation by the Government of the Irish Republic in combating the Provisional IRA. No Government of the Irish Republic could, for political reasons, be seen to be or be perceived to co-operate successfully in the extinction of the Provisional IRA.

We are told that the IRA is as much the enemy of the Irish Government as it is of Her Majesty's Government. I have no doubt that the IRA is distasteful to the Government of the Irish Republic. I have no doubt that they fear the IRA for historic as well as for contemporary reasons, but there is no contradiction. There is no contradiction between that mutual hostility between conventional politics in the Irish Republic and the fact that no conventional politician dare to be seen, or would expect to survive being seen, as having co-operated with the British in putting down a Provisional IRA campaign. It is not available. They cannot deliver.

The other reason is that the Provisional IRA, and its operations, is a weapon — perhaps the most effective weapon—for securing the political purposes pursued by the Government of the Irish Republic. At this stage, lest I be misheard or misunderstood, I want to say that at no time have I spoken in terms of hostility, contempt or disrespect of either the people or the Government of that sovereign, independent state, the Irish Republic. Nor am I saying that the members of the Government of that state are consciously, knowingly or avoidably in league in murderous activity with the members of the Provisional IRA. I am saying that the activities of the Provisional IRA have been and still are the means whereby the Irish Republic and its politicians have made in the past 15 years inroads into the constitutional status of Northern Ireland such as they could not have imagined making in the absence of the IRA campaign.

The premier of the Irish Republic, against whom I have no complaint and no criticism, cannot be so unobservant as not to have perceived that it was successive acts of terrorism which opened the way to the successive stages by which the Government have been drawn into courses of action which visibly were intended first to prejudice and then to dispense with the status of Northern Ireland as a part of the United Kingdom. Most signally, in 1979 it was the call for co-operation from the Irish Republic following the murder of Lord Mountbatten which led to the meeting of 5 October 1979, when the plans for the political operation that has since been carried out were laid down. That led to the first of the series of meetings between the Prime Minister of the United Kingdom and the premier of the Irish Republic, which stage by stage have erected the structure which was designed to be the means of cozening Northern Ireland out of the United Kingdom into the embrace of an all-Ireland state.

At each stage Ministers were told—no doubt by their advisers, civil servants and members of the security forces —"You must get the co-operation of the Irish Republic. That is the only key to combating the terrorism of the Provisional IRA. You must ascertain on what terms you will be able to obtain that co-operation." We have explored that in successive terms. We have been building a tower of Babylon in the past four years out of the terms which were successively exacted or sought by the Government of the Irish Republic in return for affording that which they could not deliver and that which was providing them at that very moment with the means of making what, in the terminology of this affair, is described as political progress.

Without the Provisional IRA there would have been no possibility of bringing things to such a pass. Even now the Government are discussing with the Government of the Irish Republic steps and provisions every one of which is a direct and visible derogation of the status of Northern Ireland as part of the United Kingdom.

It will perhaps be asked, "In the absence of the co-operation of the Government of the Irish Republic, how are we to defeat the Provisional IRA?" It will be noticed that at each stage of my remarks I have emphasised the words "the Government of the Irish Republic". I am not referring to the Garda itself, though the Garda is a political police force in a sense of which we have no comprehension in Great Britain of such a force. The relationship of that force with the politicians in the Government of the Irish Republic is one that we would not for a moment tolerate existing in Great Britain between the Government and politicians and the police forces. However, I accept that between policemen there is comradeship and that a certain degree, so far as it is permissible within what at the time happens to be the intentions of the political management in Dublin, of useful information is made available by the RUC to the Garda and by the Garda to the RUC. Nothing

will prevent that—it is the very nature of the adjacent forces seeking success in their operations, often against the same people. When we talk about securing the co-operation of the Government of the Irish Republic, we are talking about something quite different. We are talking about something to which has been attached a fatal price tag—a price tag that has been paid in practice by the lives and property of citizens in both Northern Ireland and Great Britain.

Consider, Mr. Deputy Speaker, if it is not too severe an imposition upon the imagination, what would be your outlook if you were a member of the Provisional IRA, watching the relationships between Her Majesty's Government and the Irish Republic, as our Government go about the attempt to secure the co-operation of the Government of the Irish Republic. You would say, as the IRA says, "Ah, we understand very well what is happening. They are going the same way as we intend to go. Let them go on along that course because, before they reach that ultimate role, we shall take over from them and we shall be in the saddle."

It has been a continuing encouragement to the IRA, and a continuing discouragement to their victims, to have been able to read all too clearly in the past five years the price that we have paid for that unattainable article—the co-operation of the Government of the Irish Republic in putting down the Provisional IRA.

From the fact that my right hon. and hon. Friends and I will support this motion, it is sometimes wrongly supposed that we like the emergency provisions, that we like provisions of law in our part of the United Kingdom that are different from the corresponding provisions in the rest of the United Kingdom. We do not. We desire before others to see the law in our part of the United Kingdom in line with the law in the rest of the United Kingdom, but we know that that can come about only if the Government lay aside the illusion that has caused them relations with the Government of the Irish Republic — I am not considering other factors and motives that have entered into that—that are all too manifestly an encouragement and a sign of success for the terrorist, and a discouragement and abasement for those who oppose it.

The shortest way to end the campaign of terrorism is for it to be seen that the Government have no political intentions, propositions, negotiations or undertakings with other Governments that would be incompatible with the maintenance of the present status of Northern Ireland. Strike down that vision which, if it is not clear to us is clear to the rest of the world, and the Government will have taken the most decisive step towards defeating the IRA and being able to take this Act off our statute book.

Several Hon. Members *rose*——

Mr. Deputy Speaker (Sir Paul Dean): Order. I remind the House that the debate must finish at 12 minutes past one o'clock. The wind-up speeches are expected shortly after one o'clock, so I appeal for short contributions.

12.53 am

Sir John Biggs-Davison (Epping Forest): I feel sorry for the right hon and learned Member for Warley, West (Mr. Archer). He cannot enjoy the role that he is playing, nor the speech that he made, brief though it was. He is a distinguished and able lawyer, but he does not know Northern Ireland as the right hon. Member for Barnsley, Central (Mr. Mason) knows Northern Ireland. The right hon. Member is deeply respected in Northern Ireland, and in the House.

Mr. Martin Flannery (Sheffield, Hillsborough): By whom? Not by the minority.

Sir John Biggs-Davison: The right hon. and learned Member for Warley, West has refused, because of the influences within his party, to recognise what is recognised by all reasonable people — that to defeat terrorism it is sometimes necessary to forgo some of the elements of individual freedom and liberal conventions.

The House and the country must honestly recognise that some sacrifice of liberal convention and individual freedom is unavoidable. It was extraordinary to witness the Leader of the Opposition praising the police for their achievement without announcing that the Labour party had seen reason and would support the Prevention of Terrorism (Temporary Provisions) Act.

The Labour party has gone further tonight. We are told that it will oppose the renewal of these emergency powers. The right hon. and learned Gentleman knows in his heart that those powers are necessary, because those who know the province better than he — such as his right hon. Friend the Member for Barnsley, Central — will have told him so. These powers are regrettably necessary. If they had any sense of decency, those who claim to be an alternative Government, who wish to take office at some future time and to administer the Province of Northern Ireland, would refuse to vote against the renewal of these necessary powers.

12.56 am

Mr. Ken Maginnis (Fermanagh and South Tyrone): In the few minutes at my disposal, I wish to deal specifically with internment which, happily, the Secretary of State has decided not to exclude from the revised Act.

As a legacy of Bennett, Ulster now has no proper way in which to deal with a suspect. When a suspect terrorist is taken in for interrogation, he simply sits without speaking, co-operating or justifying himself. He merely waits for two days—or if necessary seven days—until he is released. The effect on our police force is demoralising. What is the point of a policeman trying to exact a confession or explanation from a terrorist when he knows that in the final analysis he is likely to be complained about, as a result of which police time will be wasted investigating false allegations?

It is not that we do not know who the terrorists are in Ulster. The Secretary of State will no doubt confirm that on 29 November last year I asked him if he was

"aware that one Peter Sherry, who stood as a Sinn Fein candidate in a local government by-election, recently used his manifesto to forecast which people would be murdered, and three of those murders have already been carried out?"—[*Official Report*, 29 November 1984; Vol. 68, c. 1075.]

I later explained that Peter Sherry was walking free around the streets of the town in which I live planning further murders. The police knew it, yet when they brought him in for questioning they were unable within the seven days to get a word out of him and he was released.

Will the right hon. Gentleman now confirm that what I said last November has been proved to be true? Is Peter Sherry one of the terrorists who, with guns in his

[Mr. Ken Maginnis]

possession, was captured in the recent round-up? He brought his terrorism from the streets of my town to this country. That is what the police have to put up with.

That is why I want the Secretary of State to take a long, hard look at the provision on internment. Safeguards already exist, such as the provision of advisers, and other safeguards may be necessary. I regret that time does not permit me to develop the point, but if it is decided that a person should remain in detention, that person should come before the courts and prove his innocence. Let us put the onus of proof fairly and squarely on the person detained. Let him prove his innocence.

1.1 am

Mr. Stuart Bell (Middlesbrough): This has been a short but cogent debate, with speeches by the Secretary of State and two former Secretaries of State. The hon. Member for Epping Forest (Sir J. Biggs-Davison) contributed, as did the right hon. Member for South Down (Mr. Powell), who has followed these issues closely.

We discuss this issue in the context of the emergency provisions legislation and the Diplock courts. The hon. Member for Epping Forest referred to yesterday's remarks by the Leader of the Opposition. My right hon. Friend stated clearly to the House the satisfaction of Labour Members at the remarkable success of the police against the IRA, and he was right to say that the whole nation has cause to be grateful.

The debate tonight, however, is not about police work but about the renewal of the Act, the legislative framework of which provides for the Diplock courts. The Act abolishes jury trials for scheduled offences. The Secretary of State tonight expressed his concern about such issues and it is clear that we are not far apart on them. He said that the ultimate aim must be the restoration of jury trials for all types of offences, though he accepts that it is not possible to achieve that in present conditions.

The right hon. Gentleman accepts many other recommendations in the Baker report, and my hon. Friends and I have consistently pressed him on those matters because among the provisions of the Act that particularly concern us is section 8, which deals with the admissibility of confessions, confessions which would not be admissible in courts in Great Britain. The right hon. Gentleman took on board the criticisms that we have been making — and which the Baker report made — about section 11 of the Act, which deals with the holding of a suspect for 72 hours without charge. The right hon. Gentleman said that that would be repealed.

It is clear, as I say, that there is not a great divide between my hon. Friends and the right hon. Gentleman on the issue of terrorism—the need to protect the people from terrorists and to combat terrorism wherever it may occur. However, we have consistently shown our concern about the Diplock courts situation, linked as it is to a supergrass system of evidence. Such a situation is abhorrent to lawyers and jurists in Britain and elsewhere, and it is right that we should constantly draw attention to the threat to civil liberties and civil rights in Northern Ireland. Opposition Members are not prepared to see the erosion of those liberties and rights beyond what is necessary and justified.

The Secretary of State mentioned the field trials in England and Wales into the practicability and effectiveness of time limits. He said the same thing to the House six months ago on 21 December. We have not advanced on that issue. I should have thought that the right hon. Gentleman would have been told by the Home Secretary how the field trials were progressing and that he would share the conclusions with the House. He has not done that.

The Secretary of State has said that he wishes to bring forward the necessary legislation that will modify the Northern Ireland (Emergency Provisions) Act. We welcome that decision, but again he has given no date. He has simply said that he will do so within the lifetime of the present Parliament. Meanwhile, we are afraid that innocent people will be the victims of such tardiness. We are dealing not with convicted terrorists but with those whose civil rights have been taken from them.

The Secretary of State mentioned section 2(2) of the Northern Ireland (Emergency Provisions) Act on bail applications and said that it would be recast. He said that section 2(4) of the Act would be repealed. We welcome his decision. We welcome also his thoughts on those parts of the Baker report that he is prepared to accept. We want to examine that report carefully and to ascertain whether he can go further. We want to debate that issue and to have it put into context. We have consistently stated to the House and to the country generally that we oppose terrorism wherever we find it.

1.6 am

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Nicholas Scott): I have time to deal with only a few contributions. I must say to the hon. Member for Fermanagh and South Tyrone (Mr. Maginnis) that it is not my responsibility or that of my right hon. Friend the Secretary of State to say who may at present be detained and charged as a result of the recent arrests on this side of the water. That is a responsibility of my right hon. and learned Friend the Home Secretary and, in due course, the information that the hon. Gentleman seeks will become apparent.

The right hon. Member for South Down (Mr. Powell) claimed that there was no co-operation between the Government of the Republic of Ireland and the British Government and, by implication, between the security forces — *[Interruption.]* Since he described the Garda Siochana as a political police force in a way not understood on this side of the water, the implication was clear.

Without the co-operation of the Government of the Republic of Ireland, I do not believe that we would have had the interception of the Marita Ann bringing its cargo of arms to slaughter men and women in Northern Ireland, the discovery in the north of Dublin of a bomb factory which manufactured timers for bombs, the finds in recent months of explosives on the other side of the border, the identification of command wires running across the border and the establishment of the vehicle check points that have been frequently set up to assist the security forces operating in Northern Ireland. Far from getting no co-operation from the Government of the Republic, we have had excellent co-operation in recent months and years.

I go on to the assertion of the right hon. Member for South Down that the Government of the Republic of Ireland and the IRA have a common aim. I believe that few statements could be further from the truth, for the

Government of the Republic see clearly that their democracy is as much at risk from the operation of the terrorists now operating in Northern Ireland as is democracy in Northern Ireland itself. Divisions between the Republic and this Government could only help, not hinder, terrorist activity in Ireland. I have no intention of following the right hon. Member for South Down in his perverse interpretation of recent Anglo-Irish relations, save only to say that his interpretation certainly does not accord with mine.

The right hon. and learned Member for Warley, West (Mr. Archer) should cast his mind back to 1957 to the plea that Aneurin Bevan made to the Labour party conference about not being sent naked into the conference chamber by being deprived of the nuclear deterrent. If ever, alas, the right hon. and learned Gentleman and his colleagues became responsible for security in Northern Ireland, they would find that within a week they would need these powers in order to conduct the battle against terrorism. They will be not in a conference chamber but in a real conflict in which liberal democracy is under attack from vicious terrorism in which the lives of innocent people are at stake.

The success that we have had in Great Britain was unequivocally stated by the Home Secretary to be due to the powers of the Prevention of Terrorism (Temporary Provisions) Act 1984. The Northern Ireland (Emergency Provisions) Act is relevant not to Great Britain but only to Northern Ireland. Those powers are essential, as I can assure the right hon. and learned Gentleman, as a founder member of the British Institute of Human Rights. I have become convinced of the necessity of those powers in the job that we seek to do in Northern Ireland.

A vote against those powers now will be a blow at those in the security forces who need those powers to do their job. As I have said, if ever the right hon. and learned Gentleman became responsible for these matters, he would quickly find out that he, too, needed them.

In conclusion, I repeat that the primary objective of the Government's policy in Northern Ireland remains the eradication of terrorism. The Government do not accept that there is a halfway house. The emergency provisions Act plays a major part in enabling the security forces and the courts to deal effectively with that terrorism.

The House will have an opportunity in due course to deal in detail with the changes which may be made in that Act when the Government introduce a Bill incorporating the revisions which have been outlined. Meanwhile, I have no doubt that we need these provisions, and I commend the order to the House.

Question put:—

The House divided: Ayes 159, Noes 52.

Division No. 250] **[1.11 am**

AYES

Atkins, Rt Hon Sir H.
Beaumont-Dark, Anthony
Beggs, Roy
Beith, A. J.
Biggs-Davison, Sir John
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Brandon-Bravo, Martin
Brown, M. *(Brigg & Cl'thpes)*
Buck, Sir Antony
Burt, Alistair
Carlile, Alexander *(Montg'y)*
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Conway, Derek
Cope, John
Dorrell, Stephen
Durant, Tony
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Forsyth, Michael *(Stirling)*
Forsythe, Clifford *(S Antrim)*
Forth, Eric
Franks, Cecil
Freeman, Roger
Galley, Roy
Garel-Jones, Tristan
Goodhart, Sir Philip
Gow, Ian
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Ground, Patrick
Gummer, John Selwyn
Hamilton, Neil *(Tatton)*
Hanley, Jeremy
Hargreaves, Kenneth
Harris, David
Haselhurst, Alan
Hayes, J.
Hayward, Robert
Hickmet, Richard
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Hughes, Simon *(Southwark)*
Hunt, David *(Wirral)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Jackson, Robert
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Kennedy, Charles
Key, Robert
Kilfedder, James A.
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lightbown, David
Lilley, Peter
Lloyd, Peter, *(Fareham)*
Lord, Michael
Luce, Richard
Lyell, Nicholas
McCrea, Rev William
McCusker, Harold
MacKay, John *(Argyll & Bute)*
Maclean, David John
Maclennan, Robert
Maginnis, Ken
Major, John
Malins, Humfrey
Maples, John
Marshall, Michael *(Arundel)*
Mather, Carol
Mayhew, Sir Patrick
Meadowcroft, Michael
Meyer, Sir Anthony
Mills, Iain *(Meriden)*
Mitchell, David *(NW Hants)*
Moate, Roger
Molyneaux, Rt Hon James
Morris, M. *(N'hampton, S)*
Moynihan, Hon C.
Needham, Richard
Nelson, Anthony
Neubert, Michael
Nicholls, Patrick
Nicholson, J.
Norris, Steven
Osborn, Sir John
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Paisley, Rev Ian
Pawsey, James
Porter, Barry
Portillo, Michael
Powell, Rt Hon J. E. *(S Down)*
Powley, John
Proctor, K. Harvey
Rathbone, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Robinson, Mark *(N'port W)*
Ross, Wm. *(Londonderry)*
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Scott, Nicholas
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Smyth, Rev W. M. *(Belfast S)*
Soames, Hon Nicholas
Speed, Keith
Spencer, Derek
Spicer, Jim *(W Dorset)*
Stanbrook, Ivor
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stevens, Martin *(Fulham)*
Stewart, Allan *(Eastwood)*
Sumberg, David
Taylor, Rt Hon John David
Temple-Morris, Peter
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Twinn, Dr Ian
Waddington, David
Walden, George
Walker, Cecil *(Belfast N)*
Wallace, James
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watts, John
Wheeler, John
Wilkinson, John
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Yeo, Tim

Tellers for the Ayes:
Mr. Ian Lang and
Mr. Archie Hamilton.

NOES

Archer, Rt Hon Peter
Atkinson, N. *(Tottenham)*
Barnett, Guy
Beckett, Mrs Margaret
Bell, Stuart
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Boyes, Roland
Brown, Ron *(E'burgh, Leith)*
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Conlan, Bernard
Cook, Frank *(Stockton North)*
Corbyn, Jeremy
Cox, Thomas *(Tooting)*

Cunliffe, Lawrence
Dalyell, Tam
Deakins, Eric
Dubs, Alfred
Ellis, Raymond
Evans, John *(St. Helens N)*
Fisher, Mark
Flannery, Martin
Foster, Derek
George, Bruce
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Hughes, Sean *(Knowsley S)*
Hume, John
Lamond, James
Lewis, Terence *(Worsley)*
Lloyd, Tony *(Stretford)*
Loyden, Edward
Madden, Max
Mikardo, Ian
O'Neill, Martin
Parry, Robert
Patchett, Terry
Pike, Peter
Prescott, John
Redmond, M.
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Short, Ms Clare *(Ladywood)*
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Soley, Clive
Stott, Roger

Tellers for the Noes:
Mr. Allen McKay and
Mr. John McWilliam.

Question accordingly agreed to.

Resolved,

That the draft Northern Ireland (Emergency Provisions) Act 1978 (Continuance) (No. 2) Order 1985, which was laid before this House on 3rd June, be approved.

STATUTORY INSTRUMENTS &c.

Motion made, and Question put forthwith pursuant to Standing Order No. 79(5) (Standing Committees on Statutory Instruments, &c.).

WEIGHTS AND MEASURES

That the draft Weights and Measures Act 1963 (Various Foods) (Amendments) Order 1985, which was laid before this House on 14th June, be approved.—*[Mr. Major.]*

Question agreed to.

Miss Hilda Murrell

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Major.]*

1.23 am

Mr. Tam Dalyell (Linlithgow): I raised the case of Hilda Murrell under the Consolidated Fund at 4 am on 20 December, 1984.

Owing to parliamentary good fortune, which so often smiles on just causes, I am able to raise the topic again at 1.20 am on the day after assistant chief constable Peter Smith gave a press conference on the report.

Why did the assistant chief constable of Northumbria, Mr. Peter Smith, hold a press conference yesterday, Wednesday, to answer questions about the murder of Miss Hilda Murrell without publishing the full report of his review of how the West Mercia constabulary had conducted its inquiries? Will the Minister place a copy of Mr. Smith's report in the House of Commons Library?

Whose decision is it not to publish the report? Is it that of the chief constable of West Mercia, of Mr. Smith, or of the Home Office? If Ministers wish to convince an increasingly interested and sceptical public, would it not be in their own interest to publish?

If the report were published, some light might be thrown on the many questions raised first of all by the Cecil Woolf book "The Death of a Rose Grower", by Graham Smith, and then by the New English Library's "Who Killed Hilda Murrell?", by Judith Cook, as well as by the excellent television programmes by Harlech by "World in Action" and the BBC "Crime Watch".

Why are the police so convinced that this is an "ordinary burglary gone wrong" when they have not succeeded after 15 months in finding the person or persons responsible and there are so many extraordinary aspects to this case, particularly the abduction of Miss Murrell in her own car?

A secret report on activities that are shrouded in secrecy cannot dispel fear and mistrust. Some of the questions that I had hoped the inquiry report would answer raise issues of public concern.

Was there an inquiry into leaks concerning GCHQ Cheltenham and the Belgrano, commissioned by Sir Robert Armstrong, Secretary of the Cabinet at the end of 1983? Was intelligence told to identify the origin of leaks of information about the Belgrano? Was Commander Robert Green on the list of possible suspects? Was the home of his aunt checked for information? Has Mr. Smith approached Sir Robert Armstrong?

What is the nature of the relationship between the official security services and unofficial private detective agencies? Is it true that Sir Robert Armstrong has close connections with a director of Zeus Security Consultants, as reported in the *Daily Star* of 13 June 1985? Has any Government Department ever employed, directly or indirectly, either Zeus Security Consultants or the Sapphire Investigation Bureau?

Was Miss Murrell under surveillance at any time? Specifically, was her telephone tapped? Was she on the files of the special branch, locally or nationally? Has Mr. Smith looked into the records of the Shrewsbury special branch?

Has the burglary at Commander Hurst's home been investigated for a possible connection with the Belgrano? How do the police account for the fact that no valuables

were taken and that only Commander Hurst's flat, not those on the top or ground floors, was burgled? Has the coincidence of the time—a few hours after my speech at 4 am on 20 December, but before any newspaper reports of that speech—been investigated and explained?

In relation to Mr. Hamilton, Mr. Norris and Mr. Peachman, were any of the aforementioned questioned by police concerning either the Sizewell inquiry or the murder of Miss Murrell, and with what outcome? Did any of them work on commission, directly or indirectly, for a government department? At whose request and on whose authority? If they denied involvement with burglaries connected with the Sizewell inquiry, what further steps were taken to establish whether these denials were true? Who did commission each of the above to work on Sizewell concerns?

Why was the way in which Miss Murrell's car was left regarded as suspicious by members of the community but apparently not by the police? Why did it take so long to find the body? Why did the police officer who visited Miss Murrell's house on Friday night not notice anything wrong, when her neighbours on the following day noticed scattered contents of her handbag and three days' post at the front door? Did the police officer enter the house or not? Did he seek to make contact with Miss Murrell? If he did not enter the house, why did he go away before discussing the abandoned car with her?

Has the red Ford Escort, to which much reference has been made, been found? I refer to pages 66 and 67 of the excellent book by Graham Smith. Have the red Ford Escorts, variously reported near her home and near the site where the body was found, been located and their owners interviewed? Do the reports refer to the same car?

Are the police looking for one or more than one suspect? In view of the differences between the photofit pictures and the accounts of the grey-suited running man and the man in the dark anorak, has the possibility of a team operation been fully investigated, and with what results? Has any possible connection with the red Escort been ruled out?

The two boys who supposedly stole and later burned the tax disc from Miss Murrell's car claimed that there were papers in the car. Is that true? Were they recovered? Are the boys lying?

How can the evidence of Mr. Ian Scott be accounted for? He maintained that no body was in the copse on Thursday 22 March. How do the police evaluate this evidence and the possibility that the body was moved? Has any progress been made on reports of a large dark car near the site where the body was found or on reports of lights in the wood on Thursday 22 March? I refer to pages 37 and 80 of Graham Smith's excellent book.

How was the telephone at Miss Murrell's Shrewsbury home disconnected? Were the wires ripped out, or were they disconnected in a more sophisticated manner? Her neighbour, Mr. Brian George, told me that the telephone wires had been disconnected in a professional way. As to the phone at Llanymynech, if it was damaged by lightning, why is there no record of lightning at the time in question? When did the fault develop, and when was it reported? The Home Secretary's answer to my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) was extremely unconvincing.

Are the details of the report by Steve Doughty in *The Standard* of 2 February 1985 accurate in relation to the telephones? If they are accurate, the scene of the crime, which was videod, must have been fixed. If they are inaccurate, we should be told.

When was Miss Murrell's car reported missing and its details checked? By whom? What information was given or received at each stage? What was Commander Green told about the reason for the delay in locating the owner of the car? If the police quickly established that the car belonged to Miss Murrell, an elderly local dignitary, why did they not contact her home immediately, and why, when an officer went to her home, did he leave before ensuring that she was safe and well?

What questions were put to Mr. Gary Murray, a private detective, when he was questioned by officers of the West Mercia special branch in April? Were the officers told of Mr. Murray's belief that Hilda Murrell would have been under surveillance from other private detectives? Why did West Mercia detectives go on a so-called "fishing expedition" for information about peace campaigners when they questioned Miss Murrell's friends about her murder, as reported in Graham Smith's book at pages 34 and 35?

Are the police looking for a local man as chief suspect? Would a local man drive past the police station or through the town, rather than head for open country? If the chief suspect is a local man, why has he not been located? All this effort, yet one recalls the sight on Harlech television of a local burglar saying that, had it been a local Shrewsbury burglar, they would all have known each other and he would have been reported to the police immediately. Are there any other known cases of a burglar being disturbed and abducting a house owner in his or her own car? Are there any similar cases in the area?

Is the account in the *New Statesman* of 25 January true? It states:

> "A man who is an accredited counsellor to people with sexual problems was visited by police before Miss Murrell's body was discovered and asked if he knew of anyone fitting the description of a loner who might break into women's bedrooms and be violent."

That is at page 33 of Mr. Smith's book.

In summary, the main areas of concern for many people are as follows. First, who was responsible for the death of Hilda Murrell? Why, 15 months after the murder, has it proved impossible to find those responsible? Secondly, why have the official accounts given of the murder revealed unexplained delays in following important lines of inquiry and conflicting accounts of factual evidence? Thirdly, why have British citizens who have not engaged in illegal activities been subjected to surveillance, burglaries and other forms of harassment by members of the security services or those working for them? Fourthly, is political control of the security services, on which Judith Cook writes powerfully, and those working at their request adequate to protect fully the civil rights of British citizens?

To allay public concern about the murder of Hilda Murrell, the Government should give a full and public account of steps taken so far in the inquiry, and publicly demonstrate, in a way that leaves no reasonable doubt, that there was no involvement in these tragic events by or instigated by the security services. Public confidence can be fully restored only when such authoritative evidence is made known and when all possible steps have been taken to find the murderer of Miss Murrell.

When did the West Mercia special branch begin inquiries into Miss Murrell's murder? Why did the

[Mr. Tam Dalyell]

Minister say last December that special branch officers had already investigated the possibility of a link between the murder and the Sizewell B public inquiry when the private detectives who were spying on objectors to that inquiry were not questioned until April? What caused the delay?

Several church leaders have followed this case with interest and concern. Although they have not yet made a formal approach to the Home Office or any public statement, we know that they are worried by the failure to find the person or persons responsible for Miss Murrell's death, and the failure to date to provide a clear and convincing account of the murder.

In her remarkable book "Who killed Hilda Murrell?", which has just been published, Judith Cook documents 14 serious discrepancies in the appendix between the official accounts and the independently established accounts.

Finally, if I seem extremely sceptical about Government answers, I can only refer to Clive Ponting's "The Right to Know". On page 133, for example, he states that Sir Clive Whitmore's view was that we were not telling a direct lie. Sir Clive Whitmore argued that it was all right to imply that, so long as we did not explicitly state it as being correct. If Ministers are pained that I do not accept the Government's word, I can only say to them that between 1962 and 1979 I used automatically to accept the word of a Government, of either party. After my experience in court No. 2 at the old Bailey day after day at the Ponting trial I may be forgiven for asking for detail and proof. Let Peter Smith's report be published in full so that it can be scrutinised.

1.35 am

Mr. Derek Conway (Shrewsbury and Atcham): I am grateful to the hon. Member for Linlithgow (Mr. Dalyell) for agreeing that I should take part in this debate on a tragic subject. The tragic death of Miss Hilda Murrell on Shrewsbury on 24 March 1984 has been turned by the media not merely into a tragic event but into an establishment scandal. Smoke is easy to blow around, but many people in Shrewsbury are reaching the stage when they would like to see a little more body to the accusations that are constantly being levelled at the conduct of the inquiry carried out by the West Mercia police in my area. They allocated more than 100 officers to this serious investigation and even at this late stage 19 officers continue to work on it full time. If there was an establishment cover-up, the West Mercia police would certainly not still be undertaking such a massive investigation.

There was considerable pressure because of the hon. Gentleman's questions, which he was right to raise in the House. As a result of the considerable pressure from the media, Mr. Peter Smith, an assistant chief constable from Northumbria, was appointed to conduct an outside review of the conduct of the case. When my hon. Friend the Minister of State replies, he may well go into the details of that report and, therefore, I shall not take up the time of the House in doing so. It is known that Mr. Smith was asked to carry out an independent review into the conduct of the West Mercia police inquiry and to assess the use of technical and scientific equipment, and the theories and speculation.

There has been no substantiation to the theories and speculation. They make good copy in the newspapers, and might make good reading in a book or two. However, the fact remains that the murderer of Miss Hilda Murrell still goes free. I care not whether the murderer was a by-chance burglar, a secret service agent or whoever. We want to see Miss Murrell's assassin brought to justice. I doubt whether that will be aided by the publication of Mr. Smith's report on the conduct of the inquiry. My hon. Friend may say whether the publication of the report, as requested by the hon. Gentleman, at this stage in the continuing investigation will jeopardise the character and quality of the evidence before it is tested in court. I cannot say because I am not a lawyer. But we know that the full publication of that report would be widely reported in the media and, therefore, could be easily read and assessed by Miss Murrell's murderer.

A considerable amount of effort has been made to link the murder to the secret service and great things have been said of the telephone. I am happy to accept that the hon. Gentleman may have spoken to a neighbour about the telephone, but I have spoken to British Telecom engineers and they tell me that a disconnection may appear a professional job or, as some would like to insinuate, a secret service job, but that need not necessarily be the case. The disconnection of a telephone is not a unique act in the committing of a crime. Apparently, if a telephone wire is yanked from its socket, it is done by means of the sheath, within which are contained the connecting wires. It is not unkown for those British Telecom engineers to see that at a burglary. The sheath is pulled. One wire remains connected and the other does not. An amateur, a neighbour or anyone interested in fuelling speculation about the secret service might like to read into that some James Bond technique, but it is not unique and can be easily and accidentally done.

I can draw no conclusions from that act, which is given a great deal of credence, and it is not proof that anything has been done by the British security agencies. It is without doubt that not all murders are solved, but the solution of many may be hindered. I respect the determination of the hon. Member for Linlithgow to bring before the nation the details of that murder and its inquiry. He has claimed in the House and on the media that he has information which associates the British secret service with the murder. I should not suggest to such a distinguished Member that he put up or shut up. I should never seek to limit free speech, but it is time that the hon. Gentleman put up the information that he has that can bring to justice the murderer of my late constituent Miss Murrell.

1.43 am

The Minister of State, Home Office (Mr. Giles Shaw): The House may be forgiven for wondering in what capacity the hon. Member for Linlithgow (Mr. Dalyell) was addressing the House. Was he addressing it in his capacity as a Member of the House, in his capacity as an acting detective sergeant (unpaid) or in relation to the publication of some books?

The hon. Gentleman read out a series of questions which are directly related to an investigation which in his view should long since have been concluded and the matter resolved. Everyone in the House would agree that that should have been the case. This matter has not been concluded. As my hon. Friend the Member for Shrewsbury and Atcham (Mr. Conway) reminded the House, the investigation is continuing. Despite the fact

that the hon. Gentleman has had substantial access to those involved in the investigation and the fact that he has received categoric assurances from me in the House and by letter, he is still raising some of the issues about which there has been a clear exchange of views.

I must seek to answer some of the points that the hon. Gentleman raised. The first was about why the report by Mr. Smith, the assistant chief constable of Northumbria, is not publicly available. The review of the investigation was undertaken by Mr. Smith at the request of the then chief constable of West Mercia, Mr. Cozens. Mr. Smith has reported to the new chief constable, Mr. Mullett.

There are two highly cogent reasons for not making public the detail of the report which the chief constable explained in his statement to the press today. First, the report deals with a continuing investigation and thus contains details of confidential operational information. Secondly, the publication of such details would, in the event of a future arrest, detract from, if not destroy, their evidential value. Those are cogent and important reasons.

The hon. Gentleman asked to whom the report was made. It was made by Mr. Smith to the chief constable of West Mercia and it is for him to determine whether it should be published. Those are his views, and I have no reason to doubt that they are cogent and should be observed in this case.

Mr. Allan Roberts (Bootle): When the inquiry is finished, the reasons that the Minister has given for not publishing will no longer exist. Will the hon. Gentleman give an undertaking that, after the inquiry is finished, he will publish the report?

Mr. Shaw: The investigation is in the hands of the local police. The decision whether to publish the report in due course will rest with them. The hon. Gentleman's intervention is on the record.

The second question that the hon. Member for Linlithgow asked was about the security services. He wanted to know whether Mr. Smith had approached Sir Robert Armstrong. As the hon. Gentleman is aware, I gave him a categorical assurance on 28 December that Government intelligence services were not involved in any way.

Mr. Smith had full access to all the information held in the force's incident room and to all persons who may in any way have been able to assist his review. I understand that Mr. Smith has seen all those persons at the highest levels in Government when he wished. I can therefore give the assurance that he has seen Sir Robert Armstrong. Indeed, Sir Robert confirmed to me that all those persons involved at the highest levels of Government have been seen.

The present position is as was stated on 28 December. There is no involvement whatever in any aspect of the security services in this affair. As the hon. Gentleman knows, the investigation continues and 19 officers continue to follow up the lines of inquiry, as my hon. Friend the Member for Shrewsbury and Atcham reminded the House.

If anyone submits information, each and every bit of it will be examined. The West Mercia police are in the extraordinarily difficult position of being accused of covering up all the evidence that they have, and the evidence which is produced, whether it is from the hon. Member for Linlithgow, or from the recent book by Mrs. Judith Cook which refers to Mr. Otter—who has views on this matter similar to those quoted by the hon. Member for Linlithgow in relation to Mr. Morgan Grenville.

I understand from the chief constable that Mr. Otter's involvement was first drawn to Mr. Smith's attention by the hon. Member for Linlithgow. I am grateful to him for his letter of 23 May. The information was passed to West Mercia police on 28 May and it was followed up immediately. Mr. Otter has now been interviewed three times by West Mercia officers, but nothing that he has said has helped to take the investigation forward. That has been so on a number of issues which the hon. Gentleman raised.

The hon. Gentleman mentioned the telephone disconnection and the problem of storm damage. He knows from the letter of 14 January when I described fully that the police confirmed that Miss Murrell's telephone at her home in Shrewsbury had been disconnected, that at first it was believed that this was done by removing the connectors at the junction box, but at no time did the police use the term "sophisticated" about the way in which it was done. In the absence of any further evidential confirmation that this was the means of disconnection, and after checks of the junction box, the police believe that the connecting wires were simply snatched out, perhaps because the connecting screws were loose.

There has been a detailed response to many of the questions which the hon. Member for Linlitgow has put to me. He has put many more questions to me tonight. I shall do my best to write to him about some the detailed points. However, the central issue remains the same. The hon. Gentleman believes that leads about the involvement of the security services or others involved in the private investigation of Sizewell have not been followed up and that allegations should be made. Every allegation and every lead which he has offered, or which anyone else has offered, has been taken seriously and examined from every possible angle by the West Mercia police.

The hon. Gentleman asked about the involvement of private detectives. Before the most recent press speculation about Mr. Peachman's activities as a private investigator, West Mercia police had already investigated the alleged link between the activities of private detectives, the Sizewell B project and Miss Murrell's death. The hon. Gentleman will know from the chief constable's report on Mr. Smith's report that one of Mr. Smith's criticisms was about the way in which certain aspects of the alleged connection were followed up. They have established that inquiries in connection with Sizewell B were undertaken for a private client but that these were concluded over a year before Miss Murrell's death and that she was not the subject of the inquiries.

I understand also from the chief constable that Mr. Peachman was engaged by Zeus Security to undertake inquiries on 21 January 1983 and had completed his engagement by the end of the same month. The conclusions of his inquiries were passed to the client's solicitors and the chief constable has no information about what happened thereafter. Miss Murrell did not correspond with the secretary to the Sizewell inquiry until August 1983 and was therefore not known to the inquiry as an objector at the time of Mr. Peachman's inquiries. It cannot be deduced from the involvement of that private detective agent with the Sizewell objectors that Miss Murrell had any connection with the inquiries that were being made at that time.

[Mr. Shaw]

Much as everyone in the House would like to achieve a resolution of this affair, it has not yet been possible so to do. The hon. Gentleman will know—my hon. Friend the Member for Shrewsbury and Atcham referred to the fact—that regrettably there are homicides that are never fully solved. I gather that there are about 398 currently without a suspect and with no likelihood of being concluded. Sometimes a case with many and various pieces of evidence attached to it cannot be concluded satisfactorily.

West Mercia police, having had a thorough appraisal of what had been done, which was conducted by a independent and senior police officer from a force without any connection with West Mercia, are still proceeding to try to solve the case. I can assure the hon. Gentleman, my hon. Friend the Member for Shrewsbury and Atcham and everyone else that that must be a professional and significant undertaking and one which is sometimes not helped by those who raise false points on complicated issues.

Question put and agreed to.

Adjourned accordingly at eight minutes to Two o'clock.

House of Commons

Thursday 27 June 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

BIRMINGHAM CITY COUNCIL BILL *(By Order)*

Order for further consideration, as amended, read.

To be further considered upon Thursday 4 July at Seven o'clock.

BRITISH RAILWAYS (TROWSE BRIDGE) BILL *[Lords] (By Order)*

YORKSHIRE WATER AUTHORITY BILL *(By Order)*

BERKSHIRE BILL *[Lords] (By Order)*

Orders for Second Reading read.

To be read a Second time upon Tuesday 2 July.

SHETLAND ISLANDS COUNCIL (OMNIBUS SERVICES) ORDER CONFIRMATION

Mr. Secretary Younger presented a Bill to confirm a Provisional Order under section 7 of the Private Legislation Procedure (Scotland) Act 1936, relating to Shetland Islands Council (Omnibus Services); And the same was read the First time; and ordered to be considered upon Wednesday 3 July and to be printed. [Bill 177.]

Oral Answers to Questions

NATIONAL FINANCE

Privatisation

1. **Mr. Hardy** asked the Chancellor of the Exchequer what estimate he has made of the net receipts from the privatisation of public assets during the next two years.

The Financial Secretary to the Treasury (Mr. John Moore): The 1985 public expenditure White Paper assumed that net receipts from special sales of assets would amount to £4·5 billion over the next two years. Receipts from council house sales would add about a further £4 billion.

Mr. Hardy: Will the Financial Secretary confirm that those substantial sums will be devoted largely to the relief of income tax, providing significent benefit only to a minority of the population and small parts of the country? Does he accept that that destruction of capital assets should best be described as treasonably feckless?

Mr. Moore: As opposed to the hon. Gentleman's comments, he will know that the privatisation programme sees as its main goal an attempt both to improve the efficiency of the economy and to benefit the consumers and the workers in those enterprises from the increased profitability and efficiency of the structures for which they work.

Mrs. Virginia Bottomley: Does my hon. Friend agree that the privatisation measure that has most dramatically affected more than 750,000 people has been the opportunity to buy one's own home, which has been offered to council house and other tenants by the Government?

Mr. Moore: My hon. Friend is right, and I should like to update her on the figures, which are better than she thought. As at March 1985, 850,000 council houses have been sold, and that number of people are happily the owners of their own homes.

Mr. Carter-Jones: When the Minister has sold off the royal ordnance factories, and paid back all the money, owed in pensions, will anything be left for tax relief?

Mr. Moore: What we have instead are enterprises which serve consumers, employees and the nation more efficiently. I wonder what the hon. Gentleman will do at the general election when, I assume, he presents the Labour party's wholesale commitment to the re-nationalisation of all those prime industries, which will be the best imaginable boon for the Conservative party.

Mr. Leigh: Is my hon. Friend aware that, contrary to what the hon. Member for Wentworth (Mr. Hardy) claims, in an average constituency, such as Brecon and Radnor, no fewer than 3,000 householders will have benefited from the sale of British Telecom shares, 1,000 householders will have benefited from the sale of council homes, and many hundreds from the sale of nationalised industries, which we have brought back to real public control?

Mr. Moore: I am delighted that my hon. Friend, in an electoral sense, brings us back to the realities of Brecon and Radnor. Beyond his specific points, the consumer, the nation and the workers will all benefit from privatisation.

Mr. Blair: Do the Financial Secretary's figures include the money that will be raised by the sale of British Gas? Is it not the case that for the Government to retain the last vestiges of their economic credibility they propose to flog off British Gas as a private monopoly to bump up prices and to fund the tax cuts before the election? Is it not, therefore, right that in the Government's eyes privatisation is no longer a virtue, but a necessity?

Mr. Moore: The figures are precisely as I referred to them — those in the 1985 public expenditure White Paper. I am intrigued that so far the official Opposition have not yet referred in the House to their policy on the re-nationalisation of British Gas. The only reference that I can find is in the overseas service of the British Broadcasting Corporation, when the right hon. Member for Salford, East (Mr. Orme) committed the Opposition to re-nationalisation. To the extent that the Opposition seem unwilling to admit their policy, the Government's policy on the issue is clear.

Share Ownership

2. **Mr. Favell** asked the Chancellor of the Exchequer what effects on share ownership he expects from the phasing out of the state earnings-related pensions scheme.

The Chancellor of the Exchequer (Mr. Nigel Lawson): The emphasis given to wider share ownership

in the Government's privatisation programme, coupled with changes in the tax system, have already probably doubled the number of individual shareholders in Britain since we first took office in 1979. The proposals to phase out the state earnings-related pension scheme will encourage the spread of personal pensions and give many more people the opportunity to take a direct interest in the way their pension savings are invested.

Mr. Favell: Do I understand from my right hon. Friend's answer that he considers that the phasing-out of the scheme will help him in his drive to create a property-owning democracy, and that this goes a long way to explaining the Labour party's opposition to it?

Mr. Lawson: My hon. Friend is right. It is all part of the policy which my hon. Friend the Financial Secretary outlined in answer to the previous question, and which I set out at some length in the Maurice Macmillan memorial lecture a few days ago. It is striking to note that all that the Opposition can do is to say that they will grab back all the shares that the employees of the nationalised industries have taken. Moreover, they will do so at a confiscatory price.

Mr. Ashley: Is it not true that the effect on shares of the ending of SERPS is trivial compared with the effect on the real economy? Do the Government intend that pensioners in the next century should have the same share of financial resources, but financed by private funding, in which case it will be unfairly distributed, or will our pensioners have a smaller share of financial resources?

Mr. Lawson: Whichever way pensions are provided, those resources must be provided by the growth of the economy. There is a big difference between people making their own provision over and above the basic state pension and a funded scheme which will guarantee them a pension in the years ahead, and those who rely on the good will of the taxpayers of the day. Contrary to what the Leader of the Opposition appears to believe, SERPS is not a funded scheme.

Sir Anthony Grant: Does my right hon. Friend agree that the attitude of the Opposition to wider share ownership now is rather curious, given that when the scheme of wider share ownership was formed it was supported by Labour Members, especially by Lord Lever, who believed passionately that it was important to turn earners into owners? Why has their attitude changed since his day?

Mr. Lawson: That is a good question. My hon. Friend is right, but the difference goes deeper than on this issue. The Labour party today is very different from the Labour party of Lord Lever's time. It is now the party of extremism and mayhem.

Several Hon. Members *rose*——

Mr. Speaker: Order. This may be an appropriate moment to say that the Chancellor of the Exchequer can answer only for those matters for which he is directly responsible.

Inflation

3. **Mr. Wareing** asked the Chancellor of the exchequer if he will make a statement on the present level of inflation.

Mr. Lawson: Over the 12 months to May 1985, the retail prices index increased by 7 per cent.

Mr. Wareing: Does the Chancellor agree that his answer proves that the Government's only claimed achievement is purely ephemeral? Will he admit that his strategy is in jeopardy because of high interest rates and the pressure that they will put upon wage demands this autumn? Will he give a categorical assurance that, given the Government's track record in doctoring figures, he will not take mortgage interest payments out of the retail prices index?

Mr. Lawson: On the latter point, there is no question of the Government taking out mortgage interest payments. I imagine that the hon. Gentleman is referring to the announcement made to the House more than a year ago by my right hon. Friend the Secretary of State for Employment, who said that he was reconvening the independent Retail Prices Index Advisory Committee to re-examine the treatment of housing costs in the RPI. Obviously, we must await what that independent committee recommends. As it is, only the United Kingdom and Canada retain the mortgage interest rate in their indexes. However, we shall abide by what the independent committee suggests.

As for the figure of 7 per cent., the hon. Gentleman will be aware that the Labour Government did not manage in any month during their period of office to get a figure anything like as low as 7 per cent. The average monthly figure was 15½ per cent. Seven per cent. is not satisfactory. We shall be getting it down during the latter part of this year. I see that the independent London Business School forecasts that a year from now inflation will be 4¼ per cent.

Mr. Latham: In the interests of reducing inflation by cutting the mortgage rate, will my right hon. Friend assure us that he will not unduly resist benign market forces if they wish to push interest rates down?

Mr. Lawson: I do not fix mortgage rates. They are fixed by the building societies. My hon. Friend may be assured that I shall not interfere in any way with their decisions. I have said on a number of occasions that the general level of interest rates will be maintained at whatever level is necessary to ensure monetary conditions that will bring inflation down.

Mr. J. Enoch Powell: As the Government have been successful in funding their borrowing requirement without recourse to the banks, why is inflation going up again?

Mr. Lawson: Inflation is affected by a number of things, and not least by the sharp rise in the value of the dollar against sterling during the latter part of last year. That has been reflected in prices this year. I am glad to say that since then the dollar exchange rate has improved in sterling's favour. That is why the right hon. Gentleman can be assured that inflation will continue to come down.

Mr. Maples: Is my right hon. Friend worried about the continued high level of personal borrowing and the effect that that might be having on interest rates and inflation?

Mr. Lawson: My hon. Friend is right to raise that issue. I believe that it lay behind the question by the right hon. Member for South Down (Mr. Powell). Bank lending is, of course, only a part of the total credit conditions in the economy that affect the inflation rate. I am not worried that monetary conditions at present are too lax. I do not believe that they are.

Mr. Robert Sheldon: Is it the Chancellor's intention as reported in an article by Sam Brittan in the *Financial*

Times today, to keep the pound as high as can be got away with to bring pressure to bear on prices and wages? Does the right hon. Gentleman recall that the last time that that policy was pursued it had disastrous effects on the levels of imports and exports and caused problems for manufacturing industry?

Mr. Lawson: Mr. Speaker pointed out to me a moment ago that I must be careful to answer only on matters for which I am responsible. I am not responsible for the articles of Mr. Samuel Brittan.

Mr. Alan Howarth: Does my right hon. Friend agree with the elder statesmen of the Labour party, the right hon. Members for Cardiff, South and Penarth (Mr. Callaghan) and for Leeds, East (Mr. Healey) that inflation is the "father and mother of unemployment"? Does he further agree that the pre-condition for controlling inflation is to keep a tight grip on public expenditure and that those who care about unemployment are misguided if they urge him to adopt a more relaxed approach to public expenditure?

Mr. Lawson: My hon. Friend put the point well. That is the central truth. I am sure that he will be as glad as I am to note that during the two years or so since the last general election the number of people in work has risen by about 600,000. That is more than in the whole of the rest of the European Economic Community.

Dr. McDonald: Will the Chancellor impose even higher rates of interest and even more cuts in public spending in an effort to squeeze inflation out of the system? Is he aware that such methods could force unemployment up nationally by 17 per cent., which is the current rate of increase in joblessness in Brecon and Radnor?

Mr. Lawson: I am glad that the hon. Lady was able to mention Brecon and Radnor. I hope that it makes her feel a great deal better. The rest of what she said was absolute nonsense.

Mr. Wainwright: Does the Chancellor realise that his mismanagement of interest rates this year has so greatly increased inflationary expectations that the threatening warnings about higher pay settlements which he addressed to the CBI this week should have been addessed to himself?

Mr. Lawson: I disagree. There has been no rise in inflationary expectations. The forecasts of every independent forecasting institution show that inflation will fall steadily in the second half of this year and into 1986.

Johnson Matthey Bankers

4. **Mr. Skinner** asked the Chancellor of the Exchequer if he will now publish the Price Waterhouse report on the collapse of Johnson Matthey Bankers; and if he will make a statement.

The Economic Secretary to the Treasury (Mr. Ian Stewart): I refer the hon. Gentleman to the statement made by my right hon. Friend the Chancellor on 20 June.

Mr. Skinner: Are the Minister and his friend the Chancellor afraid to publish the truth?

Mr. Peter Bruinvels: Where was the hon. Gentleman?

Mr. Skinner: I was in Brecon and Radnor getting in Labour votes. *[Interruption.]*

Mr. Speaker: Order. Let the hon. Gentleman ask his question.

Mr. Skinner: Will the Minister confirm that one of the biggest borrowers from Johnson Matthey Bankers is a friend of the Prime Minister and the Secretary of State for Trade and Industry? Will he also confirm that that man borrowed more than £15 million and employed the son of one of the directors of Johnson Matthey Bankers? Is that why the Government are not prepared to let people know what is in the Price Waterhouse report? Is it not a fact that, on a day when Lambeth is being covered and crawled over by accountants, there is one law for people prepared to carry out the mandate of the people, but no scrutiny from the Bank of England for a company which has lost £248 million? Is there not one law for the bankers and another for Labour councillors in Lambeth, Edinburgh and Liverpool?

Mr. Stewart: No, Sir.

Mr. Dickens: Why did my hon. Friend not refer the hon. Member for Bolsover (Mr. Skinner) to the Bank of England annual report now published and lodged in the Vote Office, documents Nos. 104 and 105, giving a blow-by-blow account of the rescue operation and an inter-round summary, the main thrust of which clearly shows that if the rescue operation had not taken place there would probably have been no danger to the United Kingdom bullion and gold market, but that, due to misunderstandings throughout the world, we might have been at risk? Why does my hon. Friend not give the hon. Gentleman the facts?

Mr. Stewart *rose*——

Hon. Members: Answer.

Mr. Speaker: Order. Give the Minister a chance.

Mr. Stewart: I could indeed have referred the hon. Member for Bolsover (Mr. Skinner) to the information contained in that report, but as he asked such a concise question I was anxious to give him a concise reply.

Mr. Sedgemore: If the Select Committee on the Treasury and Civil Service decides to hold an inquiry into the collapse of Johnson Matthey Bankers, may we have an assurance that the Chancellor will appear at the inquiry and that the Price Waterhouse report will be made available, at least on a confidential basis?

Mr. Stewart: I cannot possibly answer questions about hypothetical decisions of the Select Committee on the Treasury and Civil Service.

Value Added Tax

5. **Mr. Amess** asked the Chancellor of the Exchequer what plans he has for an extension of the payment date for value added tax to Her Majesty's Customs and Excise.

Mr. Ian Stewart: We have no plans to extend the due date for payment of VAT.

Mr. Amess: Does my hon. Friend realise that many small businesses in my constituency of Basildon and throughout the country are under increasing pressure to meet VAT payments, while larger firms seem to be extending their line of credit? Will he assist by introducing a flexible payment system? Does he agree that many of

those small firms are the life blood of our country and that it would be a mistake to kill the goose which might possibly lay the golden egg?

Mr. Stewart: I am not sure exactly what my hon. Friend has in mind in terms of a flexible payment system, but I shall certainly bring the point to the attention of my right hon. Friend the Minister of State, who is responsible for Customs and Excise matters. As for larger companies which are slow in making payments to small businesses in Basildon and many other parts of the country, I hope that those who behave in that way will note my hon. Friend's comments.

Mr. Campbell-Savours: Is the Economic Secretary aware of the extra-statutory concession that was introduced in 1981, which was not debated in Parliament, which extended to barristers the right to defer payment of VAT until they had received payment from their clients? Will he examine the amendment that I have tabled for the Report stage of the Finance Bill, which would extend that notable right to 121 further categories of traders? May we have equality in the tax system? Will the Economic Secretary ensure that the Whips instruct his Back Benchers to vote for my amendment if Mr. Speaker wishes to select it?

Mr. Stewart: I shall look at the wording of the amendment that the hon. Gentleman has tabled.

Manufactured Goods (Exports)

6. **Mr. Kenneth Carlisle** asked the Chancellor of the Exchequer whether the exports of manufactured goods over the past year give evidence of economic recovery.

The Chief Secretary to the Treasury (Mr. Peter Rees): Yes. The monthly trade figures for May 1985, published this morning, show that manufacturing exports in the three months to May are up by 13 per cent. on a year earlier.

Mr. Carlisle: I welcome that encouraging performance, but has that success been matched by a growth in manufacturing investment, as is required if we are to maintain this performance in the future?

Mr. Rees: Yes. I am happy to tell my hon. Friend that the figures for 1984 show an increase in manufacturing investment of 14 per cent., which I hope will provide the basis for a sustained improvement in manufacturing exports.

Dr. Bray: Would not the Chief Secretary be more encouraged by the trade figures if they were the result of an increase in exports rather than a fall in imports? Is he not a little concerned about whether the fall in imports means that we have reached an incipient fall-off in the rate of growth, if not a recession?

Mr. Rees: There is no evidence that we are heading for a recession. All the indications are that we are in the fifth year of growth since the trough of the recession.

Mr. Stokes: Does my right hon. and learned Friend agree that while the performance of British exports is excellent, the real problem facing manufacturing industry is the penetration of the home market? Can the Government provide help?

Mr. Rees: Yes we can, by creating the right climate for an improvement in our economic performance, to which the Government's economic policies have been devoted. The figures show that British industry is becoming more competitive and that it will be able to retain a share of the home market.

Mr. Terry Davis: Surely the Chief Secretary appreciates that it is the balance of trade in manufactured goods, not the level of exports, that is most important. If the Chief Secretary is so pleased with the level of exports, will he explain why our balance of trade in manufactured goods is heading for a further deterioration—indeed, the fifth deterioration?

Mr. Rees: It is more important to recognise the overall performance, which shows that so far this year there is a current account surplus of £724 million. The forecast for this year is an increase of £3 billion.

Economy Recovery

7. **Mr. Merchant** asked the Chancellor of the Exchequer what further evidence he has of the strength of the economic recovery.

Mr. Lawson: Gross domestic product grew by an underlying 3½ per cent. between the first quarters of 1984 and 1985. This year the United Kingdom is likely to have the fastest growing economy in the European Community, and in all probability it will grow faster than that of the United States, too.

Mr. Merchant: Does my right hon. Friend agree that this good news will produce an effect that will result in even better news, namely, a reduction in unemployment? Does he broadly agree with a recent CBI study which illustrated this effect by predicting that 1 million new jobs would be created by the end of this year?

Mr. Lawson: My hon. Friend is right to draw attention to the CBI study, which was extremely encouraging both about manufacturing in general and about employment. I referred earlier to the growth in employment during the last two years. That is expected to continue. The level of unemployment will be assisted by the measures which I took in this year's Budget, which will not have an effect until next year. It will also be affected by the level of pay increases, which is still running at too high a level if we are to price sufficient numbers of people back into work.

Mr. Wrigglesworth: Does the Chancellor agree that, if interest rates remain at their present high levels, that will severely damage the prospects for economic growth as they will increase the level of inflation, give rise to inflationary expectations by wage bargainers and result in a higher value for the pound, which will make it more difficult for manufacturing and service industries to export? In the light of that, will he reconsider his condemnation of the call by the CBI to reduce interest rates, and will he take action to do so?

Mr. Lawson: No, but the House will have noted that the SDP representative is in favour of measures which would undoubtedly lead to faster inflation.

Mr. David Howell: Does my right hon. Friend accept that his renewed commitment to tax cuts as the path to recovery, higher employment and enterprise is very welcome? Will he also confirm that his right hon. Friend the Secretary of State for the Environment has authorised greater capital spending by local authorities from capital

receipts? Will that not also make a great contribution to economic recovery, and is that not consistent with the Government's financial strategy?

Mr. Lawson: On the first half of my right hon. Friend's question, I am indeed glad to have his endorsement of the importance of further reductions in the burden of income tax on the people as a whole as a means of ensuring a sound, healthy and growing economy. I also believe that that is what the people want. As for local authority capital expenditure, it appears that there is some overspend on the figures originally allowed for. This is catered for by the reserve, but at this stage it is difficult to say precisely what the overspend will be.

Mr. Robert Sheldon: Will the Chancellor now answer the question which he declined to answer a few minutes ago? Is it the Government's intention to keep the value of the pound as high as they can get away with to keep up pressure on prices and wages?

Mr. Lawson: I do not determine the rate of exchange, as I have made clear to the House on a number of occasions, but I have noted that the Opposition are always complaining that the pound is either too high or too low.

Mr. Beaumont-Dark: Does my right hon. Friend accept that there are very real signs of a recovery in manufacturing industry, as shown by the recent unemployment figures in the midlands, which dropped while those for the nation as a whole went up? Does he also accept, since a review is now taking place into export credit guarantees, that we have lost some contracts to overseas business whose terms have been more generous? Will he urge on the Department of Trade the importance of making sure that financing is available on equal terms with our competitors?

Mr. Lawson: The Export Credits Guarantee Department does an excellent job, as I am sure my hon. Friend will concede. The whole question of export credit and aid and trade provision is constantly under review. I am sure my hon. Friend will agree that there is little point in extending credit to countries beyond their capacity to repay. As for the recovery in the midlands, since I represent a midlands constituency, as does my hon. Friend, I find that particularly welcome. I am sure that my hon. Friend will also warmly welcome the recent announcement that non-North sea profits during the first quarter of this year are 25 per cent. up on the first quarter of last year.

Mr. Hattersley: If the recovery is so well established, why did the index of manufacturing output fall by 1·3 per cent. in one month? Indeed, why is manufacturing output still substantially lower than it was in the spring of 1979?

Mr. Lawson: Manufacturing output is steadily rising. Last year's increase of 3·5 per cent. was the highest in any year since 1973. The right hon. Gentleman may not be aware of it, but the shape of the economy is changing, and many manufacturing industries here, just as in many other countries, are now a smaller part of the total economy, whereas other sectors are growing very rapidly. The overall economy is growing fast, and I would hope that the right hon. Gentleman would be the first to welcome that.

Mr. Higgins: With regard to local councils spending the receipts from council house sales on further housebuilding, will my right hon. Friend accept that this is not import-intensive but it is labour-intensive; it increases labour mobility and is likely to encourage greater employment?

Mr. Lawson: I am glad to say that the numbers of total housebuilding starts are looking very encouraging. I believe that it is more desirable to encourage the growth of private sector housing than a further extension of municipal ownership.

State Earnings-related Pension Scheme

9. **Mr. Winnick** asked the Chancellor of the Exchequer if he will make a statement about the likely cost to the Exchequer over the next five years of extra tax concessions to pension funds that will result from the proposals for the phasing out of the state earnings-related pension scheme.

Mr. Moore: No extra tax concessions are envisaged. The proposed arrangements would be subject to the same tax treatment as existing superannuation arrangements.

Mr. Winnick: Is not the position that the phasing out of SERPS will mean an overall cost to the Treasury? Is this one of the reasons why there was such a severe clash between the Chancellor and the Secretary of State for Social Services, which the Prime Minister tried to resolve?

Mr. Moore: No, in so far as the last apocalyptic aspects of the hon. Gentleman's questions are concerned, that is not accurate. He is right to remind us of what my right hon. Friend the Secretary of State for Social Services said on 19 June in the Select Committee on Social Services, when he estimated that the proposals could reduce tax revenues by somewhere in the region of £300 million.

Pensioners (Housing Benefit)

11. **Mr. Andrew Bowden** asked the Chancellor of the Exchequer if he will make a statement on the implications for tax policy of the proposals for housing benefit for pensioners in the Green Paper on the reform of social security.

Mr. Moore: The implications of all the proposals in the social security Green Paper for tax policy will be kept under review.

Mr. Bowden: Will my hon. Friend accept that it is ludicrous that some people who are receiving housing benefit are also paying tax? Will he further accept that many pensioners in receipt of housing benefit have had the purchasing value of their non-inflation proof occupational pensions reduced by 86 per cent. in the last 12 years? Is it not true that housing benefit is some small compensation for that section of the community?

Mr. Moore: With regard to the specific tax aspects of the question, my hon. Friend is right to say that the inability of Governments in the past properly to raise the tax threshold has created problems, and I know that he will welcome the Government's moves in the last few years to raise real thresholds by 20 per cent. He is also right to say that the prime victims, among the many victims of the evil of inflation, are those who are elderly and those who are seeking to live on the thrift that has produced a modest amount of capital for their old age. I know that he will join

me in supporting the Chancellor to make sure that we eradicate inflation, which affects such people more than any other section of the community.

Limited Liability Companies

12. **Mr. John Mark Taylor** asked the Chancellor of the Exchequer what proportion of limited liability companies operate below the value added tax threshold; and if he will estimate how much revenue would be lost if it was raised *(a)* to £20,000 and *(b)* to £25,000.

Mr. Peter Rees: The proportion of VAT registered traders with turnover below the threshold is about 20 per cent. of the total VAT registered trader population. To increase the threshold to £20,000 would have a negligible revenue cost, and to £25,000, about £30 million.

Mr. Taylor: In thanking my right hon. and learned Friend for that helpful reply, may I ask him to comment on the small business lobby, which has said that it would be good for business energy and good for employment to raise the threshold to £50,000?

Mr. Rees: I have noted those comments, but equally my hon. Friend and the House will have noticed that there have been representations from other quarters suggesting that to increase substantially the threshold would result in a distortion of competition. Indeed, during consideration of the Finance Bill my hon. Friend the Member for Enfield, North (Mr. Eggar) suggested in an amendment which was not selected, that the threshold should be reduced for the construction industry.

Mr. Yeo: Is my right hon. and learned Friend aware, however, that many small businesses in Suffolk and throughout the country would regard a substantial increase in the threshold at which they became liable to register for VAT as the single most useful step that the Government could take to try to assist their development, and that they regard such a move as long overdue?

Mr. Rees: I note the comments of my hon. Friend regarding East Anglia, but he and the House may be aware that there are already 300,000 traders who are trading at below the threshold but who have not chosen to de-register. This may indicate some evidence the other way, in that it does not quite reflect the hardship that my hon. Friend's question indicates.

Betting Tax Levy

13. **Dr. Mawhinney** asked the Chancellor of the Exchequer how many representations he has received from professional association football clubs about the betting tax levy.

The Economic Secretary to the Treasury (Mr. Ian Stewart): Representations have been received from the Football League and about two dozen clubs.

Dr. Mawhinney: Will my hon. Friend confirm that it remains his policy to take a sympathetic attitude towards third and fourth division football clubs faced with large bills for safety and security measures if it becomes necessary for them to appeal to him for help?

Mr. Stewart: I note what my hon. Friend says and compliment him on the interest that he is taking in those clubs. I am sure that it would be best, as my right hon. Friend the Prime Minister has said, to conduct a thorough inquiry into the whole question before deciding what is needed.

Mr. Ashton: Why is it that, when it comes to law and order on the picket lines, the Government will pick up a bill of £900 million for policing during the miners' strike, yet when it comes to law and order at football matches and providing safety at football ground, they rip off over £200 million from the betting tax and give nothing back? Why will the Government not set up a betting levy board for football as has been done for horse racing?

Mr. Stewart: The hon. Gentleman may have overlooked the fact that, for racing, both betting duty and levy apply.

Public Sector Borrowing Requirement

14. **Mr. Pike** asked the Chancellor of the Exchequer if he will make a statement about the funding of the public sector borrowing requirement.

Mr. Peter Rees: The Government's practice is to finance their borrowing requirement in a non-inflationary way.

Mr. Pike: Will the Government, in pursuance of their monetarist policies and their desire to contain the PSBR, make further cuts in public expenditure, or will they sell more public assets?

Mr. Rees: The Government's policy has always been to maintain firm control over the level of public spending and to maintain it at a broadly constant level in real terms.

Sir William Clark: Does my right hon. and learned Friend agree that under the last Labour Government the public sector borrowing requirement as a percentage of GDP increased to 9·2 per cent., while today it is 2 per cent.? Even at 2 per cent. of GDP it is costing the taxpayer £18 billion to service the national debt. Is that not high enough? Would it not be folly to increase the PSBR?

Mr. Rees: I entirely agree with my hon. Friend's conclusions. As a consequence of the profligate policies of the last Labour Government, the IMF had to intervene to restore us to solvency.

Mr. Wainwright: Does the right hon. and learned Gentleman not understand that the Government's policy of persistently overfunding and borrowing substantially more than public borrowing requires makes nonsense of their claim to the Opposition parties that more borrowing would lead to even higher interest rates?

Mr. Rees: I think that the hon. Gentleman misunderstands our position. Overfunding is not expansionary. Like previous Governments, we use a mixture of interest rates and funding policy to maintain monetary control.

Building Societies (Deposits)

15. **Mr. Greenway** asked the Chancellor of the Exchequer what recent representations he has received about the level of the ceiling for depositors with building societies; and if he will make a statement.

Mr. Ian Stewart: Following discussion with the Building Societies Association, abolition of the limit on

building society investments under the composite rate arrangements was announced on Budget day and took effect from 6 April 1985.

Mr. Greenway: I welcome the abolition of the ceiling on the amount that depositors can invest in building societies. What effect has this had on the level of deposits? Will it lead in due course to a reduction in interest rates for mortgagees? Does my hon. Friend have any other plans for different roles for building societies?

Mr. Stewart: It is too early to say whether the abolition of the ceiling on deposits will have a material effect on the inflow of funds into building societies. Those funds determine the building societies' ability to lend at a particular rate. I draw my hon. Friend's attention to the speech that I made on 6 June in Eastbourne confirming many of the proposals in the Green Paper, which will enable the building societies to compete more effectively in the market place, especially on an equivalent basis to the banks.

Mr. Heddle: Does my hon. Friend accept that the proposals that he put forward to the building society movement at that conference were widely accepted and that they will benefit the depositor and the home-owner alike? Will he ensure that the legislation which he will, perhaps, introduce next Session preserves the integrity of the building society movement, which is widely respected? Will he ensure also that building societies do not fall prey to overseas financial institutions?

Mr. Stewart: I am glad to know of the welcome that my hon. Friend gives the proposals for reform of the building societies. Although I believe that it is a good thing for the building societies to have wider powers, in relation to both their balance sheets and their other functions, I am conscious that it is important to maintain the principal characteristics of building societies, which have ensured their reputation for such a long period as a safe home for savings and as a means of providing home ownership.

Licensing Laws

18. **Mr. Maclean** asked the Chancellor of the Exchequer if he has made a calculation of the effect on income to the Treasury of more liberal licensing laws.

Mr. Moore: No, Sir.

Mr. Maclean: Does my hon. Friend accept that if we were to have more liberalised licensing laws that would have an effect on the income that the Treasury would receive, because to the additional number of foreign tourists who would come to this country to drink under laws as civilised in England as they are in Scotland?

Mr. Moore: I can see the surface attraction to the Treasury in terms of revenue, but my hon. Friend will know that licensing hours policy and related issues are matters for my right hon. Friend the Home Secretary.

PRIME MINISTER

Engagements

Q1. **Mr. Wrigglesworth** asked the Prime Minister if she will list her official engagements for Thursday 27 June.

The Prime Minister (Mrs. Margaret Thatcher): This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in this House, I shall be having further meetings later today. This evening I shall be travelling to Milan for a meeting of the European Council.

Mr. Wrigglesworth: Will the Prime Minister take an opportunity now to say where she stands in the row between the Chancellor of the Exchequer and the Leader of the House over future income tax cuts? If she is in favour of further income tax cuts, will she explain to the 3·25 million unemployed, all those with bad housing, the parents who want better education in the schools, and many others, why the revenue from North sea oil and from the massive sale of public assets is not being reinvested in the crumbling fabric in this country instead of being given away in election bribes and income tax cuts?

The Prime Minister: With regard to the speech by my right hon. Friend the Leader of the House, he pointed out very vigorously that expanding welfare policy could be financed only by the proceeds of profitable industry and commerce. My right hon. Friend the Chancellor of the Exchequer pointed out that company profitability last year was the highest ever and that investment reached an all-time high. It seems to me that the two speeches fit together admirably.

Mr. Temple-Morris: Would my right hon. Friend like to confirm firmly that it is not Her Majesty's Government's policy to re-rate agricultural land? Is she aware that hon. Members from both the Social Democratic and the Liberal parties in the so-called alliance are for once in unison in the sense that they have recently shown an intention in the House to re-rate agricultural land?

The Prime Minister: I gladly confirm once again that it is not this Conservative Government's policy to re-rate agricultural land. I am grateful to my hon. Friend for emphasising that.

Mr. Merlyn Rees: Does the Prime Minister recall the activities of Admiral Cochrane, who stood for Parliament in Honiton in 1806——

Mr. Speaker: Order. Before we get too far down that historical line, does the question relate to the Prime Minister's responsibilities?

Mr. Rees: Admiral Cochrane reneged on his promise to pay 10 guineas a head to those who voted for him and never returned to Honiton again. Does the right hon. Lady think that "Field-Marshal" Heseltine will ever go back to Brecon and Radnor?

The Prime Minister: I should have thought that the right hon. Gentleman would be pleased with the decision to use Crickhowell barracks as a training camp and a Territorial Army centre, following extensive representations, including the delegation to my right hon. Friend from Lord Hooson. I would also have thought that the right hon. Gentleman would have noted that as long ago as 12 December 1984, long before there was any thought of a by-election in Brecon, it was announced by the Parliamentary Under-Secretary of State for the Armed Forces that the Ministry of Defence, following inquiries, was looking for alternative military uses and was identifying possibilities.

Q2. **Mr. Meadowcroft** asked the Prime Minister if she will list her official engagements for Thursday 27 June.

The Prime Minister: I refer the hon. gentleman to the reply that I gave some moments ago.

Mr. Meadowcroft: Will the right hon. Lady accept that the action yesterday by the Secretary of State for Defence conforms brilliantly to the rule that elections work wonders? May we, in the next six days, have an extension of that rule to cover special credit facilities for newcomers to farming — [HON. MEMBERS: "Reading."] — for increased expenditure on high schools in Powys—[HON. MEMBERS: "Reading."] — for the withdrawal of the Transport Bill to rescue rural buses—[HON. MEMBERS: "Reading."]—an assurance that there will be no nuclear dumping in Wales—[HON. MEMBERS: "Reading."]—and ——

Mr. Speaker: Order. No reading of supplementary questions, please.

Mr. Meadowcroft: To facilitate matters, Mr. Speaker, I shall send the right hon. Lady the list.

The Prime Minister: I thought that the hon. Gentleman's king had been trumped previously. Along with the Crickhowell decision, there was also announced the retention of the Gordon barracks near Aberdeen, a constituency now held by a Liberal. I know of no impending by-election there, unless the hon. Member for Gordon (Mr. Bruce) is so dissatisfied with the Liberal party that he intends to apply for the Chiltern Hundreds.

Mr. Kenneth Carlisle: Is my right hon. Friend aware that a business, Oak Publications, newly set up in Lincoln to publish a free newspaper, has been blacked by the NGA because it refuses to impose a closed shop after the employees, in a free vote, rejected a closed shop? [HON. MEMBERS: "Reading."] Is she aware that that action has, in this new enterprise, frustrated nine jobs — [HON. MEMBERS: "Reading."]—at the hands of the NGA? Will my right hon. Friend agree that in the English language we have a clear word for action of that sort, "tyranny"?

The Prime Minister: I agree with my hon. Friend that it is a disgraceful act of intimidation and attempted coercion to try to put a small man out of business by saying that there will be a closed shop unless that small business man does as others say. It is an act of tyranny and I hope that he will take up his rights in law.

Mr. Hattersley: Now that the retail prices index has risen to 7 per cent., will the Prime Minister repeat and confirm the forecast of 3 per cent. inflation by the end of this Parliament, which she made somewhere in south-east Asia two and a half months ago?

The Prime Minister: Before I refer to the figure of 3 per cent., I would point out to the right hon. Gentleman that although the retail prices index is at 7 per cent., which is bad for this Government, we have a better record than anything achieved under Labour. The answer to the last part of his supplementary question is that 3 per cent. is an attainable target.

Mr. Hattersley: I leave aside the retreat from forecast to target, which is backing away in quite spectacular terms. As the Prime Minister is into comparisons as well as forecasts, will she also confirm that unemployment, real interest rates, company liquidations, the manufacturing trade deficit and mortgage rates are not only higher now than during any month of the Labour Government's history, but are higher than at any time during the history of Great Britain as a whole? And since, as well as making comparisons, the right hon. Lady is making forecasts, will she say by polling day whether unemployment, mortgage rates and interest rates will have come down and whether there will be any improvement in any of the other disasters?

The Prime Minister: Had the right hon. Gentleman been in Government, the position would have been far worse and we should have gone to the IMF again and joined the list of those who are trying to get help from the IMF, instead of, under this Government, being in the list of those who are giving help through the IMF.

Mr. Hattersley: Instead of irrelevant hectoring, will the Prime Minister answer the question? Is it not a fact that all the indicators that I just described are now worse than at any time in our history? Does the right hon. Lady expect any improvement in one of them before polling day?

The Prime Minister: As I said, the position would have been far worse had the right hon. Gentleman been in power. I do not dismiss as lightly as he does the record of Labour in going to the IMF. It was the worst disgrace Britain suffered. His Administration borrowed money and we are still having to repay what they borrowed.

Q3. **Mrs. McCurley** asked the Prime Minister if she will list her official engagements for Thursday 27 June.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mrs. McCurley: Will the Prime Minister take this opportunity of confirming to the House the Government's resolve to enhance the status of women in Britain and abroad? In view of the recent agreement to ratify the convention on equality for women from the United Nations, will my right hon. Friend take this opportunity to tell the women of Britain of the Government's excellent record in promoting them in education, the sciences and work?

The Prime Minister: I am grateful to my hon. Friend. This country has the second highest proportion of women in the labour force in the European Community. The long-term trend is towards an increase in the number of women at work. In the past four years the number of young women entering higher education rose by 17 per cent. In 1982-83 nearly half the new medical students were women, and the number of women studying engineering and technology has doubled in less than 10 years. Those are new opportunities for women under this Government.

Mr. Alfred Morris: What are the Prime Minister's comments on the snide and widely condemned remarks earlier this week by the Secretary of State for Wales, in which he made clear his contempt for mentally handicapped people? Has he been reprimanded?

The Prime Minister: My right hon. Friend the Secretary of State would do no such thing. The right hon. Gentleman has grossly misinterpreted what was said.

Mr. Hume: Will the Prime Minister ensure at the Milan summit, for which she is departing this evening, that the problems of famine in Africa are high on the agenda, and particularly that there will be a positive and adequate response to the tragedy of Sudan?

The Prime Minister: I believe that that matter will almost certainly come up during our discussions, but

probably in the separate meetings, not the main meeting, which is on the European Community. On the last occasion when we were at Brussels we asked for a report, in particular on the difficulty of distributing the stocks of food, which is one reason why they do not always reach those who are suffering from famine.

Q4. **Mrs. Virginia Bottomley** asked the Prime Minister if she will list her official engagements for Thursday 27 June.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mrs. Bottomley: Now that the great majority of rate-capped local authorities have set a rate, has my right hon. Friend noticed the scenes of violence, intimidation and disruption at council meetings, and will she seek broad agreement that there is no place for such behaviour in local democracy and that it should be condemned on all sides?

The Prime Minister: I entirely agree with my hon. Friend. Some of the scenes, in places such as Southwark, Brent and Hackney have been the face of Socialism in power—a face of violence and intimidation. I hope that when Lambeth sets a legal rate—if it does so—we shall see no more of those scenes, because they are totally undemocratic. They are scenes of the Fascist Left.

Mr. Pavitt: Will the Prime Minister give more profound thought to and review the answer that she gave to me several months ago about the economic consequences for women who have had a breast amputated and undergo chemotherapy? Does she realise that, since she made her statement at the 1983 Conservative conference, a woman who has chemotherapy has to pay £2 every three weeks, or £31.50 a year? Will she ask the Secretary of State for Social Services to add a ninth category to the British Medical Association's list of eight scheduled diseases—mastectomy?

The Prime Minister: I think that the hon. Gentleman is asking about what diseases are scheduled for the purpose of receiving free treatment. I believe that that is the point of the question that he is asking.

Mr. Pavitt: No.

The Prime Minister: In that case, perhaps the hon. Gentleman will put it to me in writing. As he knows, it has not been possible to review that schedule to include the diseases in which he is interested.

Q5. **Mr. Hannam** asked the Prime Minister if she will list her official engagements for Thursday 27 June.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Hannam: Will my right hon. Friend confirm her support for my right hon. Friend the Chancellor of the Exchequer in his determination to reduce the high levels of personal taxation? Is this not in direct contrast with the policies of the Leader of the Opposition, which are basically the same as the policies of his predecessor—high taxation and high inflation?

The Prime Minister: Yes, the policies of the Labour party when it was in power resulted in 2 million more people being in the income tax bracket when it left office than there were when it entered office. We have taken people out of tax. The Labour party introduced new taxes, such as the national insurance surcharge, and we have abolished taxes. We have increased thresholds—that is the tax-free allowance—which are now 20 per cent. higher than they were when the Labour Government were in power.

Q8. **Dame Jill Knight** asked the Prime Minister if she will list her official engagements for Thursday 27 June.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Dame Jill Knight: Will my right hon. Friend bear in mind that not everybody welcomes with open arms the implications of the ratification of the United Nations convention on discrimination against women? Can my right hon. Friend protect this country from the trap that has been discovered in other countries when they have ratified, which is that 50 per cent. of all the work force in certain firms, no matter how heavy or unsuitable the jobs, have to be women?

The Prime Minister: I know my hon. Friend's views on this, and I know that she will understand that when we ratified the convention we entered a number of reservations about it, which were made as a result of insistent representations from my hon. Friend.

Mr. Ray Powell: On a point of order, Mr. Speaker.

Mr. Speaker: Order. Is it directly arisng out of questions?

Mr. Powell: Yes, it is, Mr. Speaker. I seek your guidance to find out how it is possible for us to have a clear understanding from the Prime Minister when a question is asked about one of her Ministers who made a statement, which was publicly announced in most of the national and local press. The Prime Minister denied that that statement was made, although it was released by the Secretary of State for Wales to the Press Association. How do Back Benchers pursue the matter—when a question is asked and a reply such as we had today is given—to ensure that they get a truthful and a proper reply from the Prime Minister?

Mr. Speaker: I said earlier, and I think that the hon. Gentleman will accept it, that the Prime Minister, or any other Minister, can only answer questions about her direct responsibilities. I suggest that the hon. Gentleman's correct course, if he is concerned about the statement made by another Minister, is to put that question direct to the Minister.

Mr. Parry: Further to that point of order, Mr. Speaker.

Mr. Speaker: We shall be delayed.

Mr. Parry: This point of order arises from the point made by my hon. Friend the Member for Ogmore (Mr. Powell). The Prime Minister has denied that the Secretary of State made that statement, when the Minister has agreed to withdraw it and apologise. Will——

Mr. Speaker: Order. I know nothing about such statements.

Business of the House

3.33 pm

Mr. Roy Hattersley (Birmingham, Sparkbrook): Will the Leader of the House state the business of the House for next week?

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen,): Yes, Sir. The business for next week will be as follows:

MONDAY 1 JULY — Until seven o'clock, private Members' motions. Consideration in Committee of the European Communities (Finance) Bill.

Proceedings on the Further Education Bill (Lords).

Motion on the African Development Fund (Fourth Replenishment) Order.

TUESDAY 2 JULY—Opposition Day (18th Allotted Day) (First Part). Until seven o'clock there will be a debate on an Opposition motion entitled "Government cuts in the National Health Service".

Motion on the British Steel Corporation (Borrowing Powers) Order.

Motion on the Supplementary Benefit (Requirements) Amendment Regulations Order.

WEDNESDAY 3 JULY — Proceedings on the Sporting Events (Control of Alcohol Etc.) Bill.

Motions on the Local Government (Miscellaneous Provisions) (Northern Ireland) Order and the Credit Unions (Northern Ireland) Order.

THURSDAY 4 JULY—Opposition Day (19th Allotted Day). There will be a debate on a motion on the restoration of stability in Northern Ireland. The subject has been chosen by the Ulster Unionist Party.

The Chairman of Ways and Means has named opposed private business for consideration at seven o'clock.

FRIDAY 5 JULY—Private Members' Bills.

MONDAY 8 JULY—Remaining stages of the Oil and Pipelines Bill.

Mr. Hattersley: I am grateful to the right hon. Gentleman. May I ask three questions? Does he recall that the Opposition expect an early debate on the Johnson Matthey collapse? Debating a Bill which provides extra controls for the future will not do — there must be a debate on the collapse and the Bank of England's part in that debacle.

On Wednesday 3 July we are to debate the limitation of alcohol sales at football grounds. The football season is now only eight weeks away. Is this Bill all that we shall get, after the sound and fury in Downing street a few weeks ago? Will spectators be left unprotected and will grounds be left unimproved because the Government will not assist in any way in regard to money, or will there be another debate and another statement on football and the dangers therein?

Can we be told how the Government propose to respond to their defeat in the Northern Ireland Committee on their proposal to end the production of town gas in Northern Ireland? Should not the matter be debated on the Floor of the House? Is that a possibility? We believe that it should be.

Mr. Biffen: On the right hon. Gentleman's third point, I gather that it is a technical vote which has no significance for the legislation under consideration but, if the right hon. Gentleman wants to mention the topic, I should have thought that the debate on Thursday 4 July would give him an opportunity.

As for the debate which is promised for Wednesday on the Sporting Events (Control of Alcohol Etc.) Bill, I assure the right hon. Gentleman that we appreciate the talks that have taken place with the Opposition and other parties. We hope that good progress can be made. The House will consider this Session the contribution that legislation will make to solving the problem.

I appreciate what the right hon. Gentleman said about his desire for an early debate on the Johnson Matthey affair. Perhaps we could pursue this matter through the usual channels.

Sir Ian Percival (Southport): May I remind my right hon. Friend of my early-day motion, which was tabled soon after the Grand Hotel bombing and which has attracted the signatures of some 181 of my right hon. and hon. Friends? Does he recall that that motion invites the House to reaffirm

"its total resolve that the freedoms of which it is the guardian must never be lost or lessened by violence or the fear of it"?

It goes on to consider whether those who show such total lack of concern for the lives of others should not forfeit their own lives if caught and convicted. Will my right hon. Friend endeavour to allot time, before the House rises for the summer, for discussion of that or a similar measure so that the House may demonstrate to the country its absolute determination in these matters?

Mr. Biffen: I am grateful to my right hon. and learned Friend for drawing attention to that motion again. I am sure that there is a deep detestation in all quarters of the techniques of violence and the terrorist violence which have appeared yet again recently, but there is no prospect of Government time being made available for such a motion in the very near future.

Mr. J. Enoch Powell (South Down): Will the Leader of the House confirm that he will provide an extra hour for the debate on the first of the two Northern Ireland orders set down on Wednesday? Will he also do his best to avoid statements on Thursday, which would curtail time for the subsequent debate on the motion?

Mr. Biffen: I understand the importance that the right hon. Gentleman and his right hon. and hon. Friends attach to the first point. Perhaps he could examine that through the usual channels. I hope that we shall be able to accommodate his anxiety. I also note his second request.

Sir William Clark (Croydon, South): Further to the question asked by my right hon. and learned Friend the Member for Southport (Sir I. Percival), will my right hon. Friend assure us that, although there cannot be such a debate before the recess, a debate will be considered urgently as soon as we come back?

Mr. Biffen: I shall certainly take note of that point.

Mr. Jack Ashley (Stoke-on-Trent, South): Is the Leader of the House aware that hon. Members on both sides of the House are worried because hospitals are above the law and are flouting food hygiene regulations, and health and safety laws? The reason for that is Crown immunity. Many hospitals are in a shocking condition, and some patients have died. Will the Leader of the House note early-day motion 808 and arrange time for a debate in the House?

[That this House notes that Crown immunity enables health authorities to flout the Health and Safety at Work Act and the Food Hygience Regulations; is deeply concerned at growing evidence that hospital patients are suffering unnecessarily; believes that it is wrong in principle and deplorable in practice for Crown authorities to be above the law relating to welfare provision; and calls upon the Government to remove Crown immunity from all premises covered by the Health and Safety at Work Act and the Food Hygience Regulations.]

Mr. Biffen: The right hon. Gentleman refers to a point which he has argued hitherto in the House. While I will refer the matter to my right hon. Friend the Secretary of State for Social Services, I can guarantee no debate in Government time at this time of the year. The right hon. Gentleman might like to consider whether the matter could come within the terms of the debate that we are promised on Tuesday.

Dame Jill Knight (Birmingham, Edgbaston): Will my right hon. Friend the Leader of the House consider arranging to lift the 10 o'clock rule on Thursday 4 July so that the important private business being discussed may be completed before the summer recess?

Mr. Biffen: May I on behalf of the House congratulate my hon. Friend on her new title? The Chairman of Ways and Means has asked that the 10 o'clock rule be suspended on that day, and I am certain that it would be for the convenience of the House for that to be done.

Mr. Roland Boyes (Houghton and Washington): Does the Leader of the House recall that, earlier this week, the Minister for Social Security had to come grovelling to the House and admit that after only a few days he had the regulations wrong on the board and lodging measures that he introduced? We do not want to hide the real magnitude of the problem by talking only of the suicides and pregnancies, because hundreds of thousands of our youngsters are suffering. Is it not shameful that, despite seven requests from me, the right hon. Gentleman will not allow a full debate on the matter so that Opposition Members can help the Minister to get the regulations right?

Mr. Biffen: To describe the performance of my hon. Friend the Minister for Social Security earlier this week on those regulations as grovelling is a most extraordinary representation of a masterly parliamentary performance. If the hon. Gentleman is a glutton for punishment, he can seek to participate in the debate on the motion on Tuesday.

Mr. Nicholas Fairbairn (Perth and Kinross): Will my right hon. Friend the Leader of the House take time in the present climate to arrange a debate on the steps that civilised countries can take to combat international terrorism in all its forms? In his answer, will he pay tribute to the Scottish police for apparently saving the English from the Irish?

Mr. Biffen: I should like to pay tribute, but in more generous terms than those suggested by my hon. and learned Friend. On his first point, I recognise that there is widespread interest in the matter in the House, but, to put it bluntly, we are now approaching the time of year when all the time available to the Government must be used to ensure that we are not sitting in the middle of August.

Mr. Alex Carlisle (Montgomery): Will the Leader of the House arrange an early debate on the serious plight of tenant farmers in the light of the Government's agricultural policy, especially bearing in mind today's decision in the Court of Appeal in the case of Williams v. the Minister of Agriculture, Fisheries and Food, which will enable the Government to carry out their decision to dump the 4,000 members of the Land Settlement Association?

Mr. Biffen: It would not be appropriate for me to comment on that case. However, I know that the re-rating of agricultural land will affect tenant and non-tenant farmers. I will draw to the attention of my right hon. Friend the Minister for Agriculture, Fisheries and Food the request for such a debate and the point that the hon. and learned Gentleman made, and we shall see what time may be made available.

Sir Kenneth Lewis (Stamford and Spalding): Is my right hon. Friend aware that in a recent speech, which was also masterly, he agreed with me that in politics as in music if one has a good song one should sing it? Is he aware that next week and the week after we should have some statements by Ministers about some of the achievements of the Government—for example, today's announcement of the first-class return on our balance of trade for May? Last week I received a letter from my hon. Friend the Minister of State, Department of Transport telling me that the Government are spending £312 million more on a new roads programme, about which hardly anybody knows. Will he have a word with the Prime Minister and ask her to increase the housing programme as well as the roads programme, so that we will really have something to shout about?

Mr. Biffen: I can think of no more charming prospect than my hon. Friend and myself as a sort of parliamentary duo, and that thought will sustain me in the fragile days and weeks ahead. As to the searching point that he made, I shall certainly ask my right hon. Friend the Prime Minister.

Mr. Norman A. Godman (Greenock and Port Glasgow): Will the Leader of the House arrange an early debate on the serious issue of alcohol abuse and its treatment? I hasten to add that I am convinced that such addiction is thoroughly absent from this place.

Mr. Biffen: The hon. Gentleman raises a profoundly serious point that merits consideration by the House. He will appreciate that, in a relatively narrow sense, it can be debated on Wednesday. I can offer no Government time for the wider debate that he seeks, but I shall bear his point in mind.

Mr. John Stokes (Halesowen and Stourbridge): Has my right hon. Friend noticed the report in *The Daily Telegraph* today that Derbyshire county council has banned 600 schoolchildren from singing "Rule Britannia"? Should not that disgraceful state of affairs be debated in the House?

Mr. Biffen: It is absolutely scandalous, and I am sure that the censure which my hon. Friend has just delivered will be appreciated in Derbyshire.

Dr. Jeremy Bray (Motherwell, South): Is the Leader of the House aware that it will not be satisfactory for the House to consider the British Steel Corporation (Borrowing Powers) Order next Tuesday without Ministers having received the BSC corporate plan and considered it, or made a statement to the House that the security of the big five BSC steelworks is guaranteed?

Mr. Biffen: I note the hon. Gentleman's point, and I shall draw it to the attention of my right hon. Friend the Secretary of State for Trade and Industry.

Mr. Derek Spencer (Leicester, South): Is my right hon. Friend aware of the latest and most sinister attack on parliamentary democracy by Leicester city council, which proposes to set up a research and development unit at a potential cost to the ratepayer of £135,000 to peddle Labour party propaganda, and to set up a contracts monitoring unit at a potential cost of £45,000? When can we expect to hear the results of the work of the Widdicombe committee, which should put a stop to this once and for all?

Mr. Biffen: My hon. and learned Friend might take comfort from the fact that an unsaleable product needs marketing on that scale. I shall take his other points into account.

Mr. Frank Cook (Stockton, North): Would the Leader of the House direct his attention once again to the plight of the young homeless? Does he accept that his reply to my hon. Friend the Member for Houghton and Washington (Mr. Boyes) was inadequate? Although the list of exemptions was extended as a result of the statement earlier this week, the refusal to grant exemptions in Middlesbrough alone has caused 80 people to lodge appeals against those refusals. The appeals will take as long as four months to hear, and for those four months, those people will be without financial support. Therefore, they have already been judged, sentenced and executed. Does he accept that it is not good enough to push any reference to this matter to the fag-end of a debate on Tuesday evening or early Wednesday morning, and will the Government provide time to discuss the matter within the next nine days?

Mr. Biffen: The motion has been put down for debate on Tuesday evening. The matter requires the urgent consideration of the House, and I have no doubt that we shall have a good and hard-fought debate.

Mr. Andy Stewart (Sherwood): Will my right hon. Friend make time available for a debate on the report by the Select Committee on Agriculture on the Government's handling of the Aujeszky's disease eradication programme now that great hostility is being expressed by pig farmers.

Mr. Biffen: My constituency interest makes me aware of the point that my hon. Friend has made. It would be appropriate that the observations of my right hon. Friend the Minister of Agriculture, Fisheries and Food were made on the report before it was further considered by the House.

Mr. Simon Hughes (Southwark and Bermondsey): Will the Leader of the House consider granting time for a debate on arms sales to Third-world and other countries with military regimes which do everything that they can to deny human rights—especially as we learn today that despite the Government's protests that they urge the Government of Chile to uphold human rights, the right hon. Gentleman's hon. Friend, Lord Trefgarne, is entertaining 12 senior Chilean military people in Britain this week? They are to be received at four national institutes — the International Institute for Strategic Studies, the Institute for Defence Studies, the Civil Service College and the Institute of Latin American Studies, effectively as guests of the Government. Will the right hon. Gentleman ensure that we can debate whether the Government's policy is to encourage dealings with and arms sales to Chile?

Mr. Biffen: I am sure that both sides of the House would welcome a debate upon that topic, because if the hon. Gentleman's speech were to be be delivered in those terms, many hon. Members would have great delight in rebutting it. There is no immediate time available for such a debate in Government time but the hon. Gentleman might like to try good luck with an Adjournment debate.

Mr. Nicholas Soames (Crawley): Does my right hon. Friend share my anxiety for the Labour party, which appears to be running out of stamina? Does he agree that its performance last Monday——

Mr. Speaker: Order. Is the hon. Member asking for a debate?

Hon. Members: Yes.

Mr. Soames: I was trying to ask whether my right hon. Friend agreed that the Opposition are having too many days, and that they cannot cope with them. Could we have fewer so that they would be a more worthy foe?

Mr. Biffen: I may be ultra-cautious, but I think it imprudent for any Leader of the House to taunt the Opposition with running out of stamina just as we move into the month of July. We will have just about enough stamina to see us through to the appropriate rising time.

Mr. Dennis Skinner (Bolsover): Is the Leader of the House aware that if, on Wednesday, when we discuss the Sporting Events (Control of Alcohol Etc.) Bill which stops the sale of alcohol in certain places in England and Wales, he decided to stop the selling of alcohol in the Houses of Parliament and closed all the bars, he would not then be accused by people outside of saying what is all right for some people does not apply to those in the legislature? Does he believe that it would be a good idea if at 10 o'clock or whenever we have the vote, none of those people who have been in the bars from 10 o'clock in the morning could be accused of being a little weary and overtired?

Mr. Biffen: That is an interesting proposition. It could lie at the core of a fascinating speech to be delivered in the debate on Wednesday, when another Minister will have to answer.

Mr. Nicholas Winterton (Macclesfield): As I have the great honour, privilege and pleasure of speaking in my right hon. Friend's constituency tomorrow evening, may I ask a small favour of him? Like many right hon. and hon. Members, I have asked for a debate on care in the community. I refer my right hon. Friend to early-day motion 515.

[That this House, noting the widespread interest in the issue of care for the mentally ill and mentally handicapped in the community following the publication of the report of the Social Services Committee on this matter, calls for an early debate on the recommendations and implications of this report.]

It is a matter of considerable anxiety and relates to a deserving group of people. Will he arrange a debate before damaging decisions are taken by regional health authorities which will prejudice the future care of such people?

Mr. Biffen: That is all very well, but my hon. Friend outlines a fairly fragile political situation. He is speaking in my constituency, and I am not prepared to give an answer until I see how he behaves in north Shropshire.

Mr. Robert Parry (Liverpool, Riverside): In view of the recent tragic air disaster and the fact that yesterday armed forces were stationed at Heathrow, will the Leader of the House arrange an early debate or statement on security at British airports?

Mr. Biffen: I must confess that I do not have the ability to give a debate in Government time, but my right hon. Friends are keeping the matter under constant review and a statement will be made if appropriate.

Mr. Jerry Hayes (Harlow): Now that Congress House has opened its doors to private enterprise by converting rooms to a restaurant, a theatre and a bar, would it not be appropriate to allow the Opposition an extra Supply Day so that they can further extol the virtues of the Government's privatisation policy?

Mr. Biffen: It is a fascinating thought, but at this stage of the year time is a precious commodity and some might think me flippant if I responded positively to my hon. Friend's suggestion.

Mr. Michael J. Martin (Glasgow, Springburn): Weeks ago, when redundancies were announced at British Rail Engineering Limited in my constituency, the Secretary of State for Scotland promised that a consultative report would be produced. When that report becomes available, will the Leader of the House ask the Secretary of State for Scotland to arrange for a debate on the immense problems of Springburn? We have serious unemployment, drug addiction is the worst in the west of Scotland, many elderly people live in severely damp housing and very few new companies have opened up in the area. Yet at one time we had four railway workshops employing 10,000 people. Will the right hon. Gentleman ensure that there is a debate on the Floor of the House when the report becomes available?

Mr. Biffen: I very much appreciate the hon. Gentleman's constituency interest in this, and I will convey his request to my right hon. Friend the Secretary of State for Scotland.

Mr. Bill Walker (Tayside, North): I wish to draw attention to early-day motion No. 789 about Arthur Bell and Sons, the excellent and profitable Scotch whisky company in my constituency.

[That this House recognises that Arthur Bell and Sons is a well managed Scottish company which, during a period of great difficulty, has continued to expand the sale of premium brand Scotch whisky; congratulates the management and the workers on the splendid results achieved; and believes that control of this fine Scottish company should not pass into non-United Kingdom hands.]

Is the right hon. Gentleman aware that there is great concern in Scotland that the bankers dealing with the Guinness takeover bid are also acting for Arthur Bell and Sons and that there is a feeling in my constituency that there has been skulduggery in smoke-filled rooms, which cannot be good for the city, for Scotland or for Arthur Bell and Sons? May we have an early debate on the subject?

Mr. Biffen: I am sure that my hon. Friend does not expect me to follow his remarks in any sense other than to say that the matter is being considered by the Office of Fair Trading. There is a legal framework which must be observed.

Mr. Max Madden (Bradford, West): In view of the interest in the Government's proposals to improve safety at football grounds and the need to know whether they intend to make any financial contribution, will the right hon. Gentleman arrange for a statement to be made before the Bill relating to this matter is introduced next week? Alternatively, will he give an assurance that the Ministers presenting that Bill will give some information about the progress of the working group set up some time ago under the Minister with responsibility for sport?

Mr. Biffen: I appreciate the significance of my hon. Friend's point. I will bring it to the attention of my right hon. and learned Friend the Home Secretary.

Mr. Tim Yeo (Suffolk, South): As Government inaction is as appropriate a subject for debate as Government action, is my right hon. Friend aware of the widespread dismay among many homeless people and unemployed people seeking to move house to find work at the Government's decision not to legislate in this Parliament to decontrol new lettings in the private rented sector? Does he envisage time being available for a debate on that important subject?

Mr. Biffen: My hon. Friend will appreciate that I cannot say anything about the possible contents of the Queen's Speech in the autumn, but I will bring his remarks to the attention of my right hon. Friend the Secretary of State for the Environment.

Mr. D. N. Campbell-Savours (Workington): What has happened to the statement on Lear Fan, for which I have repeatedly called in the past five weeks?

Mr. Biffen: We all have to learn to be disappointed. I am sorry that the hon. Gentleman feels that the Government have been remiss in not providing that statement. I will certainly draw the attention of my right hon. Friend the Secretary of State for Northern Ireland to the point.

Mr. Campbell-Savours: Once again.

Mr. Biffen: Yes, once again.

Mr. Peter Bruinvels (Leicester, East): Does my right hon. Friend share my concern at the spiralling cost of running the House of Commons, which was £51 million in 1983-84 and £57 million in 1984-85? Is it really necessary to have a new telephone system costing £2,035,000? Will he also seriously consider timetabling the business of the House next week so that we finish by midnight each night from Monday to Thursday and thereby reduce expenditure which is getting out of hand?

Mr. Biffen: There is an old adage that the guillotine is a sharp cure for dandruff. I was reasonably tolerant about my hon. Friend's point until he suggested that there ought to be an automatic timetable for every evening next week. However, I am grateful to him for making the point that the costs of the House of Commons are rising sharply.

Mr. Malcolm Bruce (Gordon): Will the Leader of the House find time for a debate on the army training establishments of the Ministry of Defence, in the light of the announcement yesterday by the Secretary of State for Defence of a reprieve for Crickhowell and the somewhat

[Mr. Malcolm Bruce]

misleading statement of the Prime Minister this afternoon? She implied that the Gordon barracks in my constituency have been reprieved. The barracks have been reprieved only as a TA base, not as a training centre.

Will not the Leader of the House acknowledge that we need a debate because of the Ministry of Defence's argument that the reason for the closure of both barracks is that there are insufficient recruits in Scotland and Wales to sustain them? Scotland has twice as many recruits as Wales, yet the Government have not reprieved the Bridge of Don barracks in my constituency. Will the Leader of the House acknowledge that the only way that I can save it is to run under a bus, if there are any left after the Transport Bill becomes an Act?

Mr. Biffen: I will not respond to the invitation to comment upon the hon. Gentleman running under a bus, but his point is a particularly suitable one for him to try his luck in the Ballot for the Adjournment.

Rate Support Grant (Scotland)

4.1 pm

The Secretary of State for Scotland (Mr. George Younger): With permission, Mr. Speaker, I shall make an announcement about local authority expenditure and rate support grant in Scotland.

Scottish local authorities are planning expenditure in 1985-86 which is some £91 million or 3·2 per cent. above the guidelines that I issued to them. When I met the Convention of Scottish Local Authorities on 24 June, I said that I was disappointed that despite my warnings that grant penalties would be more severe than last year, local authorities continue to plan for significant overspending. The total of local authority budgets is still above the 1984-85 outturn in real terms and is 1·8 per cent. above expenditure in 1978-79. Given the continued overspending, I have decided that for 1985-86 the total penalty would be £126 million. I will lay the necessary rate support grant Order shortly and grant reductions will start on 10 July. I have today placed in the Library a paper showing how the abatement will affect each local authority, and letters of notification to them are being posted today. The penalties are on a tariff which starts at a grant loss of 70 per cent. of overspend, rising to a grant loss of 90 per cent. of overspend for a 1 per cent. excess over guideline and 110 per cent. for a 2 per cent. excess. At 2·5 per cent. the rate of penalty is 120 per cent. and then steepens to 140 per cent. at 3 per cent. and 170 per cent. at 3·5 per cent. excess and above.

While these severe penalties have been necessitated by the continued overspending of some local authorities, no authority which is planning to spend at guideline will suffer a penalty, and I am glad to see that this year 30 local authorities will avoid penalties by budgeting within guidelines. I very much hope that the remaining authorities will reduce their expenditure to guideline and thus eliminate their penalties, to the benefit of their ratepayers when penalties are recalculated at outturn.

When I announced the penalties for 1984-85 I said that, in response to representations from the convention, penalties would be adjusted in the light of outturn to give incentives to authorities to respond to the grant abatement. Authorities bringing their expenditure within guidelines would have their penalties cancelled. Those reducing their overspending would have their penalties reduced. When I met the convention on 29 April it asked that this adjustment should first be made on the basis of provisional outturn. When I saw the convention on 24 June, I told it that I was able to agree to this suggestion. An initial adjustment of penalties on the basis of provisional outturn will be made for the first time in Scotland this year. The 1984-85 penalties will be further adjusted in the light of audited final outturn about January.

I am glad to see that 13 authorities subject to penalty on their 1984-85 budgets have brought their expenditure within guideline at provisional outturn and will have their penalty cancelled unless final outturn figures show them to be above guideline. The repayment of penalties will obviously be of benefit to ratepayers. Most other authorities subject to penalty have reduced their expenditure and will have some repayment of penalty under the new arrangements introduced last year. I am sorry to say that nine authorities have increased their spending and will have increased penalties. The total

amount of penalties to be repaid in respect of 1984-85 is £29 million. Overspend for 1984-85 is still — at £77 million—too high.

There is no need for authorities to lose grant and it is in the interests of their ratepayers to spend at guideline. I hope those who have not budgeted at guideline for 1985-86 will bring their expenditure to guideline at outturn.

Mr. Donald Dewar (Glasgow, Garscadden): It is sometimes easy to lose sight of the enormity of what the right hon. Gentleman is doing in the welter of detail that he provides. Last year the excess over guidelines was £114 million and penalty £90 million. This year the excess is £91 million — a very considerable improvement according to the terms of reference of the right hon. Gentleman—but the penalty is to be £126 million. Even if we exclude Edinburgh, where there are complicating factors, the excess is £74 million and the penalty will be £117 million.

Can the right hon. Gentleman say why, for the first time, he has thought it necessary to impose what can only be described as punitive fines, which are based neither on justice nor on logic? There is no pretence that the Secretary of State is trying to ensure that the guidelines are met. It is a vendetta, with stinging penalties for any local authority that does not bow the knee to his personal diktat. How does he justify this when local authority budgets between 1984-85 and 1985-86 increased by only 4 per cent., which is well below the rate of inflation? Will he tell the House whether the comparable abatement in England and Wales for 1985-86 will be weighted in a similar way, with a clawback of more than £1 in the pound, or whether this is a particular form of torture that he has devised for Scottish local democracy?

Has the right hon. Gentleman considered the impact upon individual local authorities? For example, in Strathclyde the excess over guidelines in 1984-85 was £50 million and the penalty £38·5 million. This year the Strathclyde excess will be £41 million—£9 million less than last year—but the penalty will be increased from £38·5 million to £67·5 million, the equivalent of 5p on the rates. According to my calculations, the penalty is 165 per cent. of the excess over guidelines. Even if there were merit in the guidelines, which is a matter of considerable controversy, there is no case for imposing an additional penalty of this kind. Can the right hon. Gentleman say why the hard-pressed councillors of Strathclyde should be expected to make a saving of this kind in this financial year? How many teachers does he think will have to go to the wall, how many home helps, how many occupational therapists——

Mr. Albert McQuarrie (Banff and Buchan): And social workers.

Mr. Dewar: Yes, and social workers. Unlike the hon. Member for Banff and Buchan (Mr. McQuarrie), I do not think that the term "social workers" is an insult. They do a useful job. An authority such as Strathclyde cannot find £67 million at the fag end of the year. This announcement will result in an unreasonable and unreasoning butchery of local government services.

Last year the excess in Central region was £4 million and the penalty £3 millon. This year the excess is slightly down—about £4 million—but instead of £3 million the penalty will be £7 million. Does the right hon. Gentleman expect to be thanked by his political allies in Lothian region, which in 1985-86 has an excess over guidelines of £7·5 million and which will be asked to pay a penalty of £8·8 million? In other words, Lothian region will be brought below the already completely inadequate guidelines that have been set by the Secretary of State. Lothian is not unique. Tayside is in exactly the same position.

What about some of the hideous complexities that will now face Edinburgh district council? The right hon. Gentleman seems determined to throw everything at the situation, including the kitchen sink—[HON. MEMBERS: "Too long."] Will he confirm that Edinburgh will be deprived of the entire needs element of its rate support grant settlement? Even if it meets his demands — because of the right hon. Gentleman's allegation that its spending is excessive and unreasonable — and makes cuts of £16·3 million, it will still be faced with more than £1 million in penalties as a result of this announcement.

Does the right hon. Gentleman accept, as any fair-minded person would, that his announcement is a recipe for chaos and that he is deliberately creating confrontation while at the same time parading around Scotland lamenting and complaining about the very crisis for which he is largely responsible? Even now, at this late date, will not he make some contribution to settling a difficult and dangerous situation by abandoning what amounts to no more than a pointless and punitive campaign against local democracy in Scotland?

Mr. Younger: To hear the hon. Gentleman, one would think that all this was complete news to him. But he knows perfectly well that last year the huge gap between what local authorities were planning to spend and our provision was met half way by an extra £98 million that was found by the Government. At that time I clearly said that, as part of that, the penalties would be much more severe this year. What is more, I have said that every time I have met the local authorities and I have also said it in public. Therefore, no one should be surprised that the penalties are much more severe.

The hon. Gentleman described the penalties as fines. That is not correct, because authorities can get this money back by bringing their spending down at outturn. Indeed, quite a number of authorities that suffered penalties last year have now got some money back. That will either reduce the net effect of these penalties or in some cases will wipe them out altogether. In England and Wales, the reverse of what the hon. Gentleman said is the case. The highest levels of penalties in England and Wales are far higher than in Scotland. The highest is 300 per cent. of overspend, which is much more severe.

The penalty for Strathclyde is large because it is a large authority with large expenditure. Although the penalty is up this year, that masks the fact that Strathclyde will get some money back from the penalty that it was scheduled to pay last year because it has brought its expenditure down at outturn. It is not all that difficult for Strathclyde, but I accept that it is not easy.

As to the time of the year, the hon. Gentleman might have mentioned the fact that we have managed to make the announcement considerably earlier. Last year's announcement was made well into July. I hope that this earlier announcement will be helpful.

Edinburgh is in a unique situation. I confirm what the hon. Gentleman said, that as things are going at the

[Mr. Younger]

moment, Edinburgh will come out of grant altogether. But it will get that back if it brings its spending down to anywhere near guidelines. I have merely asked Edinburgh to go 3 per cent. above guidelines in the order that I propose to bring forward. But it is interesting to note, such are Edinburgh's extraordinary spending plans, that, had the penalty been 60 per cent. rather than the higher figures I have mentioned, it would still have lost rate support grant this year, given its planned level of overspending. Edinburgh is in a totally different situation, and I urge everyone in Edinburgh to think again before they do real damage to the city.

Several Hon. Members *rose*——

Mr. Speaker: Order. I must bear in mind that this is an Opposition Day. A large number of hon. and right hon. Members wish to take part in the subsequent debates, and there is also an application under Standing Order No 10. I am anxious that questions on this statement do not continue much beyond 4.30 pm. Questions should therefore be brief.

Sir Hector Monro (Dumfries): Will my right hon. Friend accept that he is absolutely right to implement the grave warnings that he has given over many years? Does he also agree that some local authorities, such as Dumfries and Galloway, have, through prudent budgeting, kept within the guidelines and deserve credit for doing so? In next year's formula will he consider some incentive for those authorities that have kept within guidelines this year so that they benefit from their prudence?

Mr. Younger: I am very grateful to my hon. Friend. It is worth pointing out that even those authorities that have kept within guidelines have had to work extraordinarily hard and have had to make very difficult decisions to do so. I hope that they will be duly regarded for the contribution that they have made. We shall be looking at ways of ensuring that they are not penalised for their care and responsibility.

Mr. Bruce Millan (Glasgow, Govan): Are not these outrageous penalties just another part of this dishonest charade that we have had from the Government every year? They have laid down completely unrealistic guidelines and have pretended that they can be reached, when the Secretary of State well knows that they cannot. They have now come forward with these penalties that are a burden on the ratepayer. Will the right hon. Gentleman stop talking about penalties on local authorities, because these are penalties on rates and services? They expose the hypocrisy of the Secretary of State posing as a friend of the ratepayer. He provided an ostensible £50 million of relief for domestic and commercial ratepayers, reduced that to £30 million, and, as a result of this announcement, has taken away £100 million more than he is giving in the current year.

Mr. Younger: The right hon. Gentleman is quite wrong. It is extraordinary that he should say that guidelines cannot be reached when 30 Scottish local authorities are now planning to do just that. He might also note that the guidelines are in some cases above the needs assessment. As for a charade, he will recall that when he imposed penalty, it was completely unfair and bore no relation whatever to the amount of overspend by particular authorities. That we have put right, and now the penalty at least bears a fair relationship to overspend.

Lord James Douglas-Hamilton (Edinburgh, West): Was not the Edinburgh district council Labour group fully warned about the consequences of its actions? Much more important, will my right hon. Friend strongly emphasise to those Labour councillors that if they reduce spending to within guidelines they will again be entitled to grant?

Mr. Younger: I certainly confirm what my hon. Friend has said. Edinburgh's course is beyond understanding, particularly when it has been asked to achieve a figure that is quite a long way above guidelines. Edinburgh is being treated very well.

Mr. Donald Stewart (Western Isles): Is the right hon. Gentleman aware that the so-called guidelines are simply his arbitrary figures so that he can act in accordance with Treasury diktat? Is he aware that any kudos he received for the £50 million repayment, later massaged to £30 million, will disappear when the ratepayers feel the effect of this massive piece of political chicanery?

Mr. Younger: The right hon. Gentleman might have been well advised to wait until he saw the figures, when he will find that the Western Isles does rather better out of this change than he might have thought.

Mr. John Maxton (Glasgow, Cathcart): Exactly how many local government jobs does the right hon. Gentleman expect to be lost as a result of his announcement? Does he not agree that the local authorities he is penalising have a much better mandate than he has to govern the people of Scotland?

Mr. Younger: I do not expect that this will lose nearly as many jobs as would be lost if spending were allowed to get out of control. That is what I am trying to prevent.

Mr. Nicholas Fairbairn (Perth and Kinross): Will my right hon. Friend accept my congratulations on fulfilling the punishment of extravagant sinners, but will he remember that forgiveness is also part of the treatment of sinners? One of my sparse virtues is an ability to understand the English language. I understand what an assessed need is, but not what a guideline is. It is absurd that a frugal council such as Perth and Kinross should have a guideline that is £1·2 million below what the Scottish Office has assessed as its need, whereas in extravagant Edinburgh the guideline is 10 per cent. above assessed need. Cannot we change such a mad system?

Mr. Younger: I appreciate what my hon. and learned Friend has said. As I have told him, we are looking hard to see whether we can get a more accurate calculation of guideline in the future. I sympathise with him on that point. I agree with what he said about the repentance of sinners, but they must repent before one can forgive them.

Mr. Norman Buchan (Paisley, South): Surely nothing extravagant has been done by any of these authorities. Much of what they have done has been caused by the duties imposed on them by central Government and the central Government cuts from which they have suffered. How much longer will we see our urban services in particular run down under this Government? What will happen to the marvellous and massive private housing improvement in Glasgow, for example, which has now stopped in midstream as a result of these punitive

measures? This is part of the problem facing local authorities, and the Government will go down in shame for having halted these things.

Mr. Younger: The hon. Gentleman is quite mistaken in thinking that there is any effect whatsoever on housing improvement in Glasgow. That comes under the Housing Corporation, which has been very generously funded by the Government. As to the statement that none of these authorities has indulged in any extravagance, the credulity of the people of Edinburgh will be stretched beyond belief if they read that the hon. Gentleman has said that.

Mr. Albert McQuarrie (Banff and Buchan): I congratulate my right hon. Friend on the method that he has adopted to ensure that the high-spending authorities are penalised when levying these undue charges against the ratepayers. Will my right hon. Friend accept, however, that rural areas and places such as Banff and Buchan district council and Grampian regional council have found it difficult to keep to his guidelines, but nevertheless have endeavoured to do so? I sincerely hope that the work that they have put in will be found to be of benefit when they realise what local authorities will enjoy in abatement.

Mr. Younger: My hon. Friend is absolutely correct in that. Indeed, he is being unduly modest because he will find, when he sees the figures, that not only is Grampian within guidelines and has no penalty, but Banff and Buchan has some money back from the penalty that it would have had to pay last year because it has got its spending within guidelines.

Mr. Robert Hughes (Aberdeen, North): Surely the Secretary of State is aware that not one single local authority in Scotland believes his guidelines are fair and provide the kind of finance needed for a local authority to supply services to ratepayers. Not even Grampian regional council, or Banff and Buchan district council, has a good word to say about the guidelines. Will he not take that into account? Secondly, he seems to express some surprise that there should be outrage on the Opposition Benches because we knew that this statement was coming. I tell the right hon. Gentleman that somebody who is sentenced to be hanged knows that capital punishment is coming, but that does not make it any the more palatable when it finally arrives.

Mr. Younger: I should have thought then, with that last point in mind, that such a person would not commit the crime in the first place if he could avoid it.

Aberdeen still has some penalty to pay, but the hon. Gentleman may be reassured to know that it will be getting back some of the penalties that it incurred last year because it got its spending down nearer to guidelines.

Mr. Michael Forsyth (Stirling): Does my right hon. Friend not agree that, if there is any hypocrisy in this matter, it lies with those Socialist councils in Scotland that are bleating about having to cut services because of cuts in rate support grant which they have brought on themselves by having chosen to spend millions of pounds on supporting striking miners, giving money to CND, sending councillors on trips to eastern Europe and elsewhere and many other extravagances, in the sure and certain knowledge that not only would the ratepayers have to pay but they would lose grant and incur penalties as a result?

Mr. Younger: Yes, I certainly agree that some of the things on which such councils as Stirling are spending money are almost beyond belief. My hon. Friend will agree with me, I am sure, that, while these authorities seem to enjoy putting on the crown of the great overspenders, they do not like it when there is some penalty as a result. They should realise that one goes with the other.

Mr. Norman Hogg (Cumbernauld and Kilsyth): I understood the Secretary of State to say in reply to my hon. Friend the Member for Glasgow, Garscadden (Mr. Dewar) that relevant expenditure was to be increased by £98 million. Surely this does not meet inflation, and, since local authority expenditure has risen by only 4 per cent., it represents a cut in real terms.

Mr. Younger: That is not quite the point that I was making. I was saying that there was initially a gap of about £200 million last year. I moved just about halfway to make it easier for local authorities. In return, I expected them to do better, and I warned them that there would be severe penalties. The hon. Gentleman may be pleased to know, however, that his local authority will get some benefit from the changes in the order.

Mr. Gerald Malone (Aberdeen, South): I am grateful to my right hon. Friend for announcing earlier that Aberdeen district council would get a refund of penalty on 1984-85. Is that not the best possible incentive for it to remain within guidelines this year and to make every effort to ensure that its expenditure is reasonable?

Mr. Younger: My hon. Friend is absolutely right to say that it is a tremendous incentive. It compares very much with the previous system, which meant that authorities got completely indiscriminate penalties related only to their proportion of rate support grant, which often bore no relation to the amount of overspending that they had incurred.

Mr. Robert Maclennan (Caithness and Sutherland): Is it not the case, whether or not local authorities in Scotland have met their guidelines, that they are virtually united in regarding the system of guidelines and penalties as being operated with gross unfairness? Is it not also the case that, after six years as Secretary of State, the right hon. Gentleman has wholly failed to protect ratepayers from overspending local authorities, has failed to promote local accountability and has failed to develop a system that is comprehensible to anyone?

Mr. Younger: I have been used for years to the "on the one hand, on the other hand" speeches of the SDP, but to call for freedom for local authorities to spend what they like and then to criticise me for not curbing overspenders is beyond even me.

Mr. Bill Walker (Tayside, North): Does my right hon. Friend agree that the whole problem of local authority expenditure began way back, before the general election of 1979, when the compact that existed between local authorities and Government worked? It broke down during the winter of discontent in the late 1970s, and, sadly, the expenditure base from which the prudent authorities began under guidelines meant that, as the years went by, the prudent authorities found it much more difficult to maintain the guidelines. Those that have deserve rewards. I should have liked to see more rewards for those authorities that had been good and even steeper penalties

[Mr. Bill Walker]

for those that had been bad. Being good has not been an adequate reward, and it is time that we got rid of the whole system.

Mr. Younger: I appreciate my hon. Friend's last point. It is desirable that those who have made the very difficult efforts necessary to keep within guidelines are rewarded. I think that the system now is very much fairer than it was. My hon. Friend is right in referring to this as a long-standing problem. I am afraid that the honour still falls to the Opposition, when in power, of having—in 1976—made the biggest-ever cut in one year.

Mr. David Lambie (Cunninghame, South): As a Strathclyde Member of Parliament, I wish to add my protest to those of my right hon. and hon. Friends as this vicious attack on the ratepayers of Strathclyde. Is the right hon. Gentleman aware that Cunninghame district is the unemployment black spot in the United Kingdom, with every third man unemployed? Is the Secretary of State further aware that Cunninghame district council is known as a responsible authority, one which not only carries out good housekeeping now but has done so in the past? Why should we suffer further when we have done well in Cunninghame and have tried to keep to the Government's guidelines? Why should we be penalised?

Mr. Younger: I do not always agree with the hon. Gentleman or with Cunninghame district council, but in this case it has had a much fairer deal because on this occasion it is getting back some money and is a net gainer from these changes.

Mrs. Anna McCurley (Renfrew, West and Inverclyde): Does not my right hon. Friend think that it is time to consider a new system to prevent this annual wrangling of an auction every year, which makes it very difficult for councils to organise their budgets, particularly when the budgets are affected halfway through the year?

Mr. Younger: My hon. Friend is absolutely right to say that making these changes in the middle of the year is extremely difficult. That is why I have been pressing local authorities to do this much earlier—in fact, long before the year starts. Some of them did so and some of them did not. My hon Friend will be glad to know, however, that Inverclyde council is one that will be getting back some penalty as a result of the savings that it has made.

Mr. Gavin Strang (Edinburgh, East): Is the Secretary of State aware that the brutal cut he is trying to impose on Edinburgh amounts to an attempt to make a complete mockery of the decision of the Edinburgh people to elect a Labour council, and will do real damage to the level of services and to housing provision in Edinburgh? Will he admit that the 15·7p rate that he is trying to impose on Edinburgh is precisely the rate that was moved unsuccessfully by the minority Tory group last March, and that he has made no attempt to acknowledge the successful 22·7p rate moved by the majority Labour council?

Mr. Younger: The hon. Gentleman must know, as does everyone on Edinburgh council, that the council has deliberately and openly—it has been quite honest about it—set out to bust every one of the rules and regulations governing dealings between central and local government. If it does that, it must expect the normal methods to be used. I hope that, in the interests of the ratepayers of Edinburgh, it will now get its spending down. After all, all that I am asking it to do is to cover the huge growth in spending which it has instigated. There is no question of ordinary services being affected.

Mr. James Hamilton (Motherwell, North): Does the right hon. Gentleman recognise that my district council is operating within the guidelines? However, that does not deter the council from stating that this is the worst Government in history when it comes to looking after the interests of local government. Will the right hon. Gentleman take cognisance of the fact that, if Strathclyde works within the guidelines, there will be serious cuts in social services? Because of the clawback that will be imposed on the council, the right hon. Gentleman will not be able to fulfil his promise on Tuesday that the teachers would be taken care of with an increase in rate support grant.

Mr. Younger: I appreciate what the hon. Gentleman says about his local district authority. I applaud the council for coping with its difficult task in operating within the guidelines. Of course it is not easy for a large authority like Strathclyde district council to get its spending quickly down to the guidelines. However, I have urged the council to do so for six years. If the council had started to act earlier, it would have found it much easier to get within the guidelines.

Mr. Malcolm Bruce (Gordon): Will the right hon. Gentleman accept that my colleagues and I do not approve of or support Socialist councillors accused of breaking the law, even though we may disagree with the Government's choice of guidelines? We believe that the position in Edinburgh warrants some flexibility from the right hon. Gentleman, and not law-breaking by the council. Will the right hon. Gentleman acknowledge that, following the rates debacle last month, the Scottish people know how much the Government are responsible for forcing up rates? They will see this decision as a further move by the Government to force up rates and consequently to cut services next year. In those circumstances, will the right hon. Gentleman undertake to ensure that the £126 million penalty which he is now clawing back will be handed back directly to Scottish ratepayers?

Mr. Younger: I am grateful to the hon. Gentleman for his clear statement about giving no support to law-breaking. I hope that that statement will be noted in all quarters. However, the hon. Gentleman's remarks about overspending were quite off beam. I thought that he would have been thoroughly pleased that his district local authority and regional local authority have avoided any penalty. Surely he must feel, therefore, that this penalty system is much fairer than the one that operated before the Conservative party came to power.

Dr. Norman A. Godman (Greenock and Port Glasgow): I am pleased to hear the right hon. Gentleman's positive reference to Inverclyde district council. Has he calculated the number of teachers' jobs that may disappear because of these penalties and other proposed cuts?

Mr. Younger: It is for the local authorities to decide the details of the cuts. The provision that the Government have made allows, in general, local authorities to provide teachers up to full Red Book standard, plus an extra 6 per cent. to allow for curriculum development. If local

authorities are already employing many more than that, they may have to reduce the numbers to make some savings. The provision is certainly perfectly adequate.

Mr. Fairbairn: On a point of order, Mr. Speaker. The documents that the Secretary of State promised the House would be in the Library are not available. It is difficult for Back Benchers to frame their questions when the information about which they are either going to cheer or complain is not available.

Mr. Younger: Further to that point of order, Mr. Speaker. If that is the case, I shall look into it at once and make sure that hon. Members get that information as quickly as possible.

Mr. Millan: Further to the point of order, Mr. Speaker. Is this procedure not an abuse of the House? The Front Bench at least should have these details instead of having to rely upon details in the Library. The Secretary of State has information that is denied to the rest of the House. This information is not included in the statement.

Mr. Robert Hughes: Further to that point of order, Mr. Speaker. The Secretary of State has refused to answer any supplementary questions. He has simply looked up the figures and said that the hon. Gentleman or the hon. Lady "may be pleased to know" that his or her authority has received some sort of benefit. If the right hon. Gentleman is going to abuse the provisions of a statement in this way, he should at least ensure that a copy is available, not only in the Library but in the Vote Office, so that hon. Members may study the figures and have a sensible question and answer exchange.

Dr. Godman: Further to the point of order, Mr. Speaker.

Mr. Speaker: Order. I want to call the Front Bench soon.

Dr. Godman: The problems faced by Back Benchers in these circumstances are worsened by this lack of information, especially when figures and percentages are bandied about between the two Front Benches. Back Benchers are in a difficult enough position. They should be provided with the information that is necessary for them to ask good questions.

Mr. Speaker: The hon. Member's point rings a chord with me, but this is not my responsibility. The Secretary of State is responsible for placing papers in the Library.

Mr. Jim Craigen (Glasgow, Maryhill): As this Front Bench speaker does not have the detailed abatement figures either, I ask the Secretary of State to spell out some of the details concerning certain authorities, because hon. Members are faced with great difficulties when their authorities are affected and they do not have full details.

Why, when the total budget is to increase by less than the rate of inflation, does the right hon. Gentleman propose to unleash this chaos on Scottish local government? The right hon. Gentleman has not yet given details of the staffing cuts that will be necessary for the remainder of the current year to fulfil the proposed guidelines. Has Edinburgh already received £2·5 million of the needs element in RSG? Does the right hon. Gentleman propose taking that money away from the council? If so, how will he do it? Why is the right hon. Gentleman conducting this frenzied attack on Scottish local authorities, the ratepayers and the services that are provided in these areas? Why does he continue to give us these bland assurances that he has the interests of Scotland's ratepayers at heart when, in fact, COSLA representatives must have given him a roasting the other day when he met them? Perhaps the Secretary of State would like to tell us what the COSLA representatives said this morning when he consulted them about these outrageous proposals.

Mr. Younger: Talking about strange roles, the hon. Gentleman's role as the supporter of ratepayers is pretty odd in view of the fact that he is a greater supporter of overspending councils than anyone.

I gave instructions that the information should be made available in the Library, which was asked to release the information. I shall of course look into the matter. I very much regret any shortcoming in the provision of information for hon. Members.

The proposed spending for the coming year is not increasing as much as the probable rate of inflation, but the spending must be related to what the country can afford. If that is not done, worse things might befall us. No business or family anywhere in Britain has a guarantee that what it spends next year will be fully uprated for inflation. The public sector cannot be guaranteed in that way.

An over-provision had already been made to Edinburgh, and we are considering the best way to rectify that position.

Rate Capping (Lambeth)

4.38 pm

Mr. John Fraser (Norwood): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the consequences of rate capping in Lambeth."

Those consequences are specific and immediate because today 31 Labour councillors and one former Labour councillor have received information from the district auditor of an immediate surcharge of £126,947 for loss of housing benefit and loss of what is called "Crown contribution in lieu of rates" together with the threatened loss of further massive sums by way of surcharge, possibly as high as £750,000. Today, the municipal equivalent of the rack and thumbscrew have been wheeled into Lambeth to threaten councillors with bankruptcy and disqualification. This process is conducted on a presumption of misconduct, not of innocence.

This matter is important because, whatever side one takes in the controversy, rate capping is indisputably a device to force councillors to depart from their promises, principles and consciences and to change — at least temporarily — through an unelected district auditor, the political control of the council.

The matter is urgent because, once the surcharge is raised, there can only be a matter of days during which an objection can be lodged and an appeal made to the High Court. Once that happens, the rules of order of the House could remove from discussion in this Chamber the predicament and problems faced by Lambeth.

It is urgent, too, because the consequences of today's decision and the logical conclusion would mean massive redundancies, cuts and the subversion of a democratically elected council in a borough with the highest unemployment, the highest number of unfit dwellings and almost the highest crime rate in London, and many other very high indices of deprivation.

A debate would allow the Government, even at this late stage, to recognise their responsibilities, admit the amount of money that they have deprived Lambeth of and avoid the damaging consequences of this current confrontation.

I ask you, Mr. Speaker, to rule that this application should take precedence over the orders of the day so that these matters may be discussed in the House and the House may assert that intimidation and presumption of guilt have no part to play in the process of democracy whether at central Government or local government level.

Mr. Speaker: The hon. Member for Norwood (Mr. Fraser) asks leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the consequences of rate capping in Lambeth."

I have listened with great care to what the hon. Member has said, but I regret that I do not consider that the matter that he has raised is appropriate for discussion under Standing Order No. 10 and I cannot therefore submit his application to the House.

Opposition day

[17TH ALLOTTED DAY]

Child Benefit

Mr. Speaker: We now move to the important Opposition debate on child benefit. I must tell the House that I have selected the amendment in the name of the Prime Minister.

4.42 pm

Mr. Michael Meacher (Oldham, West): I beg to move,

That this House strongly condemns the Government's breach of their own repeated promises to increase Child Benefit in line with inflation which will result in mothers and children being deprived of £175 million in the current year as the first of the Green Paper cuts; notes that Child Benefit is uniquely effective in countering family poverty, reducing the poverty trap and ensuring that mothers are the recipients of monies needed for child care; and therefore calls upon the Government to restore the real value of Child Benefit both now and for the future.

Our case in this debate is very simple and very clear. It is that child benefit is uniquely effective in countering family poverty, in reducing the poverty trap and in ensuring that the person who receives the money necessary for caring for the children is the mother. It was a Labour Government who brought in child benefit and, for the reasons that I have just given, we believe strongly that it is a key benefit, central to our social security system, which should be built up and not cut back. It is a benefit which has attracted widespread endorsement.

I offer at the outset one or two quotations. My first is this:

"We would all, I suspect, like to see an increase in child benefit; I think that it is one of the most effective ways in which you can deal with the problem of poverty and the problem of bringing help to children."

I am sure that we would all say "Hear, hear" to that. Those were the words not of a Labour Minister, but of the present Secretary of State for Social Services when speaking to the Treasury and Civil Service Sub-Committee on 28 July 1982. That was when he still believed in child benefit, just as, when he set up the pensions inquiry, he still believed in the state earnings-related pension scheme.

If child benefit was, in the Secretary of State's own words,

"one of the most effective ways"

of dealing with the problem of poverty, does the downgrading now of child benefit mean that the Government are repudiating that objective? The Secretary of State does not appear to want to reply now. No doubt he will do so later.

On 28 June 1983 the Prime Minister said that the Government's real increase in child benefit then was

"evidence of our commitment to the family."—[*Official Report*, 28 June 1983; Vol. 44, c. 49.]

Quite so, but does this latest princely increase of 15p—which is less than one third of the rate of inflation—now indicate that the Government's commitment to the family is somewhat wilting? That is another question to which we would like an answer today.

I offer a third quotation:

"It plays a major part in easing the unemployment trap, and so in our strategy of improving incentives for everyone. It is important for families, and particularly for the low paid. Indeed,

it is the benefit which provides the greatest help to many of the poorest families in the country. I refer, of course, to child benefit."—[*Official Report*, *15 March 1983*; *Vol. 39*, *c. 143*.]

Again that is not some Child Poverty Action Group enthusiast, as one might think, but the right hon. and learned Member for Surrey, East (Sir G. Howe), the then Chancellor of the Exchequer, in 1983.

If child benefit is so effective in all these roles, according to Ministers, why is it being sidelined now? If all those unsolicited panegyrics applied in 1982 and 1983, why do they not apply now?

The Secretary of State's justification for his backtracking on child benefit was stated by him in his answer to me a week ago, when he said:

"The first priority must be to give help to families in greatest need."—[*Official Report*, 18 June 1985, Vol. 81, c. 177.]

It would indeed be a seductive argument if it were true, but it is not. It simply does not reflect what the Secretary of State has done, for three good reasons.

First, only a fraction—about 16 per cent.—of the £175 million saved from the child benefit cut is being used to improve benefits for low-income families. The improvement in family income supplement will cost just £17 million, and the housing benefit child's needs allowance £12 million — which had in any case originally been promised for April this year. So the Government are not transferring resources at all; they are cutting benefit to mothers by £150 million.

Secondly, cutting child benefit and spending more on FIS, which is the Government's strategy, does not concentrate resources on the poorest families. It has the opposite effect. It cannot be stated too often that take-up of child benefit is virtually 100 per cent., while FIS, because it is means-tested, reaches only about half of all the low-paid families which are eligible. Housing benefit is little better—the take-up there is about two thirds. So the losers from the right hon. Gentleman's package are clear. They are those entitled to FIS but not claiming it, and that is about 200,000 of the poorest families, those with incomes just above the FIS eligibility levels, and mothers and children in families with reasonable incomes, but where the income is not shared fairly. Far from being helped by what the Government have done, those families will be the hardest hit.

There is a third important reason, if one follows through the logic of the right hon. Gentleman's package, why the outcome contradicts his own claims. It is that even those families which get the family income supplement will find that the so-called extra help that the Government are providing by increasing the FIS prescribed amount by more than 7 per cent. will be swallowed up by the loss of child benefit and the consequential changes in housing benefit.

I shall give an example which effectively demolishes the Government's case. In March of this year the average FIS payment for a two-child family was £12, which implied an average wage of around £76 a week. Assuming that their earnings increase in line with inflation, this family's FIS award will increase by £1 in real terms as a result of the higher FIS levels announced by the Government a week ago. However, at the same time, no less than 70p of this £1 increase will be snatched back by the cut in child benefit.

Indeed, the result will be even worse because of the infernal logic of the interconnection between means tested benefits. Because increases in FIS are taken into account for calculating housing benefit, many parents will find that the gain in housing benefit due to the increased child's needs allowance will be outweighed by the downward adjustment to housing benefit resulting from the higher FIS levels. The Secretary of State looks puzzled, but I hope he realises the logic of his own proposals. That is exactly what will happen even to those who get the fullest benefit of his increases.

The result of all that was the boast by the Secretary of State a week ago:

"The first aim is to direct help to the poorest . . . That is precisely what we are doing".—[*Official Report*, 18 June 1985, Vol. 81, c. 177.]

That is not borne out by the facts. Indeed, the truth is the reverse. Downgrading child benefit and upgrading the odds and ends of means tested benefits at the margin does not bring the greatest help to the poorest families, but traps them even more deeply in their own poverty.

We know the Government's real motive behind this child benefit cut. It has next to nothing to do with targeting the needy, which is Fowlerspeak for more meanstesting. It has everything to do with cutting expenditure on benefits to safeguard future tax cuts, which, as usual, will go mainly to the better off and the rich.

Mr. Jerry Hayes (Harlow) *rose*——

Mr. Meacher: If the hon. Gentleman was in his place at the start and heard my argument, he knows how compelling it is. If it has a fault, I should like to know what it is. It contains the compelling fact that even those who will benefit most by the increase in FIS levels will probably lose in net terms, leaving aside those who, because they do not claim FIS, do not get the benefit.

Far from concentrating resources on poorer families, which will not happen as a result of this package the proposal paves the way for concentrating resources on the richer sections of society—a redistribution which has become the characteristic hallmark of Thatcherite Toryism. That connection was made absolutely explicit yesterday by the Chancellor of the Exchequer when he made a ringing call to bankers and business men at the Carlton Club in favour of further tax cuts at the expense of further public expenditure cuts, and child benefit is the first victim of that renewed Treasury drive.

Mr. Hayes: How can the hon. Gentleman say, hand on heart, looking at the figures, that the Government's proposals are not designed to help families most in need, when he has not mentioned that one-parent benefit has increased by 7 per cent., that the child's needs allowance has gone up to £15.40 a week, and that there is a new higher prescribed amount for families with older children?

Mr. Meacher: I am not surprised that the hon. Gentleman ran away after a single day when he was setting up a new organisation in the Tory party, if those were the sorts of arguments that he had in mind. He obviously has not listened to my remarks. I mentioned the increases in housing benefit, in the child's needs allowance and in the FIS prescribed amounts. I agree that for one-parent families the FIS increase is an improvement, but would the hon. Gentleman care to give the details of the increases and the number of families who will receive them? They are minuscule compared with the 11 million children who are losing 35p every week this year as a result of the cut in child benefit.

[Mr. Meacher]

This switch from public expenditure to taxation cuts has precious little justification. The *Financial Times*—scarcely a Left-wing publication—commented on 20 June, just after the Secretary of State announced his package:

"By looking for economies in the benefits but not in the tax allowances which form part of the welfare system, the Government is open to the charge of unfairness. The real value of child benefit, in reality a substitute for child tax allowances, is to be cut by nearly 5 per cent., yet the Chancellor recently raised the married man's tax allowance, enjoyed by couples without children, by twice the rate of inflation."

In truth, the married man's tax allowance has been increased by about 17 per cent. — that is, if it was increased by the statutory price-linked formula which the Government use—whereas child benefit is 3 per cent. lower in real terms — that is, if it was pitched in accordance with that formula. That demonstrates how, long-term, the fiscal trend under Tory policies has worked against families.

Mr. John Butterfill (Bournemouth, West): When does the hon. Gentleman intend to depart from the brief prepared by the Child Poverty Action Group? Is he aware that most of us have read it?

Mr. Meacher: I am pleased to hear that. I hope that many Conservative Members, including the Secretary of State, will read it, because it represents a devastating indictment of the Government's social policies. If the Secretary of State read more documents such as that at bedtime, rather than the briefs from his Department, we might get better policies from him.

I quote again from the document, this time from the Conservative Women's National Committee, the publications of which I do not normally read. In a passionate plea on behalf of child benefit, that organisation said:

"We recommend that as economic circumstances permit, child benefit is increased in line with increases in tax allowances, or at least protected against rising prices."

Poor old Emma Nicholson. She really did her best among the upper echelons of Conservative women. Just her luck that the present Government are led by a women who happens to be more like a man. [HON. MEMBERS: "Sexist."] I am sure that the Prime Minister will be delighted by that reaction from the Government Benches.

There is a further important reason why this attack on child benefit cannot be justified on the grounds of public expenditure costs, which is what I suspect the argument is really all about. Even if child benefit had been indexed fully in line with inflation—as we believe it should have been—expenditure on it would still be falling in real terms. That is because the number of children qualifying for it has been, and still is, falling. It fell by 1 million in the six years up to 1984, and that reduction saved about £300 million at present benefit rates. Moreover, the number will continue to decline in the immediate future because of the relatively low birth rates of the late 1960s.

All of that is in addition to the fact that the Conservatives have cut spending on child support since 1979 by allowing child benefit to fall below its 1979 level during the period up to the November 1983 uprating, and by the steady and continuing reduction in the real value of child support for national insurance beneficiaries. For those reasons, there is absolutely no excuse today, in expenditure terms, for chopping back child benefit even further.

Mrs. Edwina Currie (Derbyshire, South): The hon. Gentleman referred to the position in 1979 and then carefully spoke of the November 1983 uprating. Is he aware that in that uprating, and in the November 1984 uprating, the resulting real value of child benefit was higher than in any year under any Labour Government back to 1951?

Mr. Meacher: Quite, and we are approaching November 1985. It is true that at November 1984 prices the value of child benefit rose to £6·85, the level from which it is now being increased. That is marginally, by 15p, above the level in April 1979. However, at November 1984 prices, in the same real terms, it is now to be lowered to £6·57. That is precisely our objection. Child benefit is not being increased steadily in line with rising prosperity and increasing growth, as we are always being told, but is being lowered.

There is even less excuse for any cut in child benefit. The Government are mortgaged to the hilt in terms of promises about child benefit. The previous Secretary of State for Social Services, the right hon. Member for Wanstead and Woodford (Mr. Jenkin) said in 1980:

"We are committed to the child benefit system and it is our intention, subject to economic and other circumstances, to uprate child benefit each year to maintain its value." — [*Official Report*, 28 July 1980, Vol. 989, c. 1063.]

Perhaps we should now ask: are the Government saying that the economy is in a worse shape than in 1980, so that the promise of the then Secretary of State no longer holds good? Otherwise, we should like to know how their actions are justified.

Equally important, I quote from the letter from the 38 organisations, including the National Federation of Women of Great Britain, to the Prime Minister in March this year. The letter reminded the Prime Minister of her pre-election assurance:

"there are no plans to make any changes to the basis on which child benefit is paid or calculated."

Nothing could be more unequivocal than that. Moreover, the letter went on to say:

"In our view, the retention of child benefit, paid at a reduced level in real terms, alongside a restructured system of meanstested child support would mean a 'change in the basis of that benefit'. The Government would be seen, we believe, to be paying lipservice only to the principle of a benefit for all children, and would be widely suspected of intending to allow the reduced universal benefit to decline in value until it withered away and was replaced entirely by meanstested provision."

In a nutshell, that is exactly what is happening, despite all the Government's solemn pledges which are churned out like confetti before an election and then disappear like snowflakes on a boiler after it.

What is most worrying is that this attack on child benefit is not a "blip"—to use a word which I believe is beloved of the Chancellor of the Exchequer—but part of a calculated long-term strategy on the part of the Government to run down child benefit. I quote from paragraph 4.49 of the Green Paper, which is a very important statement by the Government:

"The Government believe that it will be right to give greater priority to assistance for families in the income range covered by family credit than to the assistance given to families as a whole through child benefit. We will therefore have regard to the need to concentrate resources in this area . . . in determining the overall level of child benefit."

That says it all. Today we are debating the beginning of the end of child benefit. All that I would add is that to embark on this strategy——

The Secretary of State for Social Services (Mr. Norman Fowler): As the hon. Gentleman is about to conclude, are we to understand that we shall have this debate without him informing us of his own policy in this area? Does the hon. Gentleman still stand by the pledge that he made only two months ago to abolish the married man's tax allowance?

Mr. Meacher: I shall certainly outline not only our future policies but what we have done in the past. In April 1974 the Labour Government inherited child benefit at £5·14, at November 1984 prices. We increased that to £6·70. We shall not cut child benefit. We shall seek to increase it, not in line with prices as we did previously, but to do better than that. We stand on our record. If only the right hon. Gentleman could do the same. He inherited the level of £6·70, and it will fall this November to about £6·57.

Mr. Fowler: The hon. Gentleman said in a statement only two months ago that he would double child benefit and abolish the married man's tax allowance. Are we to understand from what he has just said that that part of his policy has been abandoned?

Mr. Meacher: I think that the right hon. Gentleman is used to the terminology of Green Papers. I hope he believes that Green Papers are the subject of consultation. I made it clear that the document I released was not party policy, but a consultative paper. There should be serious consultation about whether we spend £4·5 billion on the married man's tax allowance, which is in no way concentrated on those who need the money, instead of increasing child benefit, which is far and away the most cost-effective and direct way of assisting those in need. That is a serious question, and if the right hon. Gentleman seeks to make a mockery of it I think that his view will be taken into account by the people of this country.

It is a travesty of consultation that the Secretary of State, having issued a Green Paper, which we presume is for consultation, embarks on carrying out the policy with his first statement no less than two weeks after he issued the Green Paper. Is that his idea of a Green Paper and consultation? That is also a pointer to the shape of things to come from the Green Paper. So far we have been given no figures from the right hon. Gentleman's policy document, after the most important review of the welfare state for 40 years, except for two. One is a £500 million cut in housing benefit, and now we have a £175 million cut in child benefit. It does not exactly fill us with a great deal of confidence as we await the rest.

It is our contention in this debate that the Government's family policy—if I can dignify it with that title—is fundamentally flawed and misconceived. In seeking to justify the cut, the Prime Minister argued on 20 June that the alternative to raising tax thresholds is

"of particular benefit to families".—[*Official Report*, 20 June 1985; Vol. 81, c. 433.]

It cannot be said too often and too strongly that that is absolutely wrong. An increase in tax thresholds gives most money to the highest paid and least to the low-paid lifted out of tax, while the half a million working families with children below the tax threshold gain absolutely nothing. An increase in child benefit, on the other hand, is pound for pound a far more discriminating way of assisting families and concentrating help on low-paid families in need.

Even the Government's Green Paper accepts, at paragraph 4.44, that

"Child benefit is simple, well understood and popular."

Yet, perversely, the Government now want to give higher priority to family income supplement, which is complicated, poorly understood and unpopular, and moreover, worsens the poverty trap. Not only that, but the problems associated with FIS will be compounded by the shift to the proposed family credit scheme. In particular, not only will payment through the pay packet be used, I suspect, to subsidise low-pay employers, but the benefit is less likely to be spent on the children, and the take-up could be reduced still further.

Last November the Government clawed back £1 a week from pensioners on supplementary benefit who were getting heating allowances. This June they are clawing back £1 a week from families with three children. That cut further threatens the diet and health of children, especially since the Government have already withdrawn school milk and run down school meals, when one third of all children in our society are in families living either at or only just above the Government's own poverty line. It is not a policy for families; it is a policy for cutbacks at the expense of families. Because 7 million mothers and 12 million children will lose, I earnestly and unhesitatingly request every Member of the House who cares about families to vote for our motion.

5.10 pm

The Secretary of State for Social Services (Mr. Norman Fowler): I beg to move, to leave out from "House" to the end of the Question and to add instead thereof:

"endorses the Government's commitment to maintain Child Benefit as a universal benefit paid to all mothers as a contribution to the cost of bringing up children; notes that an additional £2 billion will be spent on benefits as a result of the uprating in November; welcomes the additional help that will be provided for low income families with children and welcomes the proposals for a simpler and more effective benefit structure which will result from the Government's recent review."

I am considerably underwhelmed by the speech of the hon. Member for Oldham, West (Mr. Meacher). When he started, three Labour Members were present on the Back Benches. The numbers have increased a little, but even now are not into double figures—Ascot has ended and Wimbledon has begun.

Everyone knows that the hon. Gentleman's attack is a sham. The trouble with him is that he now speaks in such perpetual hyperbole that he is losing all contact with the real world. He complains of the uprating statement last week as being another attack on the welfare state. But what did the statement say?

The statement set out an increase in spending of over £2 billion a year, taking total social security spending to over £42 billion a year—one third of all public spending. That is a real increase in spending of over 30 per cent. since 1979. The statement set out an increase of £4 a week in the pension for a married couple and £2·50 for the single pensioner—increases which benefit over 9 million pensioners. The statement set out a 7 per cent. increase in unemployment benefit and a 12 per cent. increase for those on invalidity pension.

That is the real context of this debate—and the debate that is to follow on housing benefit. The uprating represents not a cut in spending on social security but the payment of over £500 million more than was originally

[Mr. Norman Fowler]

planned for social security spending. Those resources have been directed at some of the families most in need. That is right, and I make no apology for our priority.

There is one fundamental point to make, which I sought to raise with the hon. Gentleman towards the end of his speech. We are now past the stage when the Opposition can get by simply by letting loose the hon. Member for Oldham, West to set out a shopping list of aspirations—and then repudiate those of his policies that lack instant consumer appeal. We are now at the stage where serious debate has to be joined about our objectives in social security policy and about the best methods to achieve them. For the Opposition, that means moving from generalised aims to particular policies. The trouble is, to judge from the hon. Gentleman's speech, all that that means is a move from the incoherent to the incredible.

Over the past few weeks, we have heard one call after another for more spending. According to the hon. Gentleman, virtually every part of the social security budget will be increased by billions of pounds. On child benefit alone, two months ago the hon. Gentleman proposed to spend an extra £4·5 billion a year and to pay for that simply by abolishing the married man's tax allowance. We should be clear what the effect of this would be. For 10 million couples, it would mean an increase of about £7 a week in their tax bill. For the 5 million without children it would mean a £7 a week cut in their income.

What I find even more than usually extraordinary about the hon. Gentleman's speech is that he utters vague generalisations about tax and social security but has not bothered to put any of his comments on the Government's record into that context. In particular, he has not looked at the effect of total policies in the lower income sector which is, of course, crucial in the whole rationale of child benefit. In other words, one cannot look at child benefit in isolation. One also needs to take into account what else has happened in terms of the tax system. Several things have happened. Tax thresholds are now 20 per cent. higher in real terms than they were in 1978-79. In other words, married taxpayers paying at the standard rate are £3·30 a week better off because of what we have achieved in raising the real level of thresholds. Those with working wives are £5·40 a week better off. In the context of this debate, it is right to point to that achievement.

Mr. Robert Hughes (Aberdeen, North): I accept that one should look at matters in the round. Therefore, will the right hon. Gentleman look at the position of taxpayers to see how much indirect taxation they have to pay as a result of switches of Government policy from direct to indirect taxation? Will he look at the increase in rents that the Government have forced upon people and take into account the increasing rate burden imposed by the Government, and then tell us whether people are individually better off or worse off in their net tax burden since the Tories came into office?

Mr. Fowler: I would gladly do all those things, but it is sensible, when talking about child benefit in particular—we all remember the history and rationale of child benefit, which was to bring help particularly to those in the low income sector—to look at the tax position as well. At the same time we should examine the national insurance position.

The changes in the structure of national insurance contributions announced in the last Budget will also give extra help to those on low incomes. For the lowest paid, they almost halve national insurance rates, and for people earning under £90 a week they will mean increases in net income ranging from £1·10 to £2·18 a week. That is effective and immediate help directed at those on low incomes.

Therefore, the context of this debate is a £2 billion uprating of social security, a raising of tax thresholds with the effect that 1·25 million people have been taken out of tax altogether and a reduction in national insurance in this year's Budget of 3·5 million low wage earners.

Mr. Tony Marlow (Northampton, North): I am sorry to interrupt my right hon. Friend so early, and I am grateful to him for giving way. Before he altogether leaves the married man's tax allowance, can he answer this point? In today's society, is it really sensible if, when two individuals, both working, get married, they have an increase in their tax allowance? As Secretary of State for Social Services, would not my right hon. Friend rather that the money that is lost in that tax allowance could be spent somehow on families?

Mr. Meacher: Ah.

Mr. Marlow: Would it not be a good idea if we moved it more towards a child tax allowance, as we have in the past?

Mr. Fowler: I see that the hon. Member for Oldham, West now wants child tax allowances to be considered as well. There appears to be no end to his flexibility on what his policy will be. I accept that there are issues that have to be examined; that is why the Green Paper on personal taxation that my right hon. Friend the Chancellor of the Exchequer is bringing forward later this year will look at this sector. That is the right context.

Mr. Frank Field (Birkenhead): The right hon. Gentleman has just made two very important points, one about raising the tax threshold and one about changes in national insurance contributions, and those changes need to be recognised. Will he take the argument a stage further and admit that neither the raising of the threshold nor the national insurance changes distinguish whether the taxpayers have children and that, over the past 30 years, we have shifted the burden of taxation onto those with children? Before the last election and up until recently, both sides thought that the only way to shift the burden back was to raise child benefit in line with tax thresholds. Is not that an important point, and is not the failure to raise child benefit in line with thresholds a defeat for the Government's policy, which they say is about protecting the family?

Mr. Fowler: It is not remotely a defeat, but I agree with what the hon. Gentleman has said, in a typically sensible intervention. I do not wish the hon. Gentleman any permanent harm by that comment. Clearly, what he says is entirely right. The tax system, and only the tax system, can direct help at low-income families without distinguishing between low-income families with children and those without. The same is true for national insurance. The context of this debate, unlike the picture painted by the hon. Member for Oldham, West is the £2 billion uprating announced last week, and the fact that we have raised the tax threshold and reduced national insurance.

It is against that background that the Government had to decide their priorities on child benefit. We have already made it clear that child benefit should continue as a benefit payable to all families irrespective of their incomes. The greatest priority must be the support of families on low incomes, not the general level of support. It is here that we find some of the most difficult problems — as the review of social security showed — and it is right that this should be our first priority.

That is why we decided to take other measures to get extra help to low-income families. The result is that we have made two important changes to the family income supplement scheme. Two hundred thousand families stand to gain from these changes — those with older children will gain most. We have increased the allowances in the scheme by at least £1 more than the 7 per cent. increase in prices would have justified. That will mean that the benefit payable at a given level of income could be £3·75 per week higher for a one-child family and £4·50 per week higher for a two-child family.

Wherever we divide on this, I think that the hon. Member for Oldham, West will agree at least with this step — that we have, for the first time, introduced some age relation into the family income supplement system. At present, the allowances for children are the same whatever the age of the child. That is in marked contrast to the supplementary benefit rates, which rightly give more help to those with older children. This gives rise to some of the more extreme effects of the unemployment trap — the help available for a child through family income supplement is well below the help provided for a teenage child through supplementary benefit. By increasing the prescribed amounts for a child aged 11 to 15 by £1 per week, and for a child aged 16 or over by £2 a week, we will be taking the first step to reducing that problem. It is of course a first step to reduce a problem which many people previously recognised.

I also announced last week a further real increase in the child need allowance in housing benefit. That is the amount of extra income which is assumed to be needed for each child in assessing entitlement to benefit. At its new level of £14.50 — a £1 a week real increase — the allowance, although not age-related, will be much closer to the scale rate for older children in supplementary benefit. The change will also benefit more than 500,000 families with children in receipt of standard housing benefit and increase entitlement by up to 40p per child per week.

The hon. Member for Oldham, West failed to mention the increase of one-parent benefit from £4·25 per week to £4·55, the fully uprated child scale rates in supplementary benefit and the child dependency additions payable with national insurance benefits.

Mr. Meacher: Will the Secretary of State nevertheless confirm that the point I was making — that those 200,000 families who do not receive family income supplement will not get any of those extra benefits? Secondly, even if they are getting family income supplement, the fact that there is a connection between housing benefit and family income supplement, and that family income is taken into account in assessing for housing benefits, means that the increase in the housing benefit child need allowance will be outweighed by the downgrading of housing benefit because of the relationship with housing benefit. The net result will not be a gain, even for those very few families who are most favoured by the right hon. Gentleman's changes.

Mr. Fowler: The hon. Member has not got it quite right. With regard to housing benefit, children on supplementary benefit will not lose at all. As for the housing benefit rates taper and the changes to which the hon. Gentleman referred, those below the needs allowance will not lose either.

Perhaps I might give the hon. Gentleman an example of what will happen. A family earning £80 a week and with two teenage children gets £10 of benefit a week. Under the new system that I am introducing as a result of the uprating, the benefit for that family will increase to £15·50. I accept that family income supplement is not conceivably an end to the matter — we should not be making our family credit proposals in the Green Paper if it were. We have already said that we intend to do more to improve the circumstances of low-income working families with children.

Mr. Gordon Brown (Dunfermline, East): Will the right hon. Gentleman give way?

Mr. Fowler: I shall not give way again as I should like to get on. The new family credit scheme would aim to eliminate families with children finding themselves worse off in work than on supplementary benefit, to prevent any family facing a marginal tax rate of more than 100 per cent. — which completely undermines incentives for people in lower-paid jobs — and to give extra help through the pay packet so that people in lower-paid jobs have their tax and national insurance liability effectively reduced or eliminated.

Those are important social objectives and real improvements in how our social security system works. The Government have made it clear that we regard a universal child benefit as important.

Mr. Frank Field: But not very important.

Mr. Fowler: It is the only recognition in our tax or benefit system of the extra responsibilities borne by all of those who are bringing up children. They are recognised in almost all western European countries that I have visited and whose social security systems I have seen. We must keep that general support in proportion, however. I see no reason why we should provide help to all families with children at the level appropriate to those families most in need of help. The Government are proposing a general level of help and additional help for families most in need.

I find no great attraction in the option, which the hon. Member for Oldham, West trailed, of increasing child benefit in order to tax it, as the hon. Gentleman appeared to suggest on the BBC "Newsnight" programme last week. Doubling and then taxing child benefit would increase public expenditure by about £4·5 billion. Even allowing for the extra tax revenue, the cost would rise by £1·5 billion to about £6 billion a year. The result would be a savage cut in effective tax thresholds — for all families with children, the point at which earnings would be subject to tax would be reduced by about £725 per child. That would mean an increase in tax, at standard rate, of almost £220 a year.

Mr. Meacher: The right hon. Gentleman totally misunderstands what I said. I did not say that child benefit would be increased and taxed with the current income tax

[Mr. Meacher]

structure. As the Minister of State, who was present, ought to know, I argued that it could seriously and valuably be done only in the context of a different type of income tax structure.

Mr. Fowler: If the hon. Gentleman does not mind my saying so, the House is in some difficulty about what he means, because he keeps changing his story. *[Interruption.]* The hon. Member for Holborn and St. Pancras (Mr. Dobson) doubtless wants to give the hon. Gentleman his support, but I am sure that the hon. Gentleman can look after himself. Two months ago the hon. Gentleman set out in a Green Paper, which he described as a document which would pre-empt the Government's proposals——

Mr. Frank Field: More green than the right hon. Gentleman's.

Mr. Fowler: That is probably right, and as I understand it, that sentiment is shared by the whole shadow Cabinet.

The fact is that on "Newsnight" the hon. Gentleman said that we can pay universal benefit such as child benefit to everyone and then concentrate it on those in the greatest need without a means test by taxing the benefit.

Mr. Meacher: On a different income tax structure.

Mr. Fowler: I hear what the hon. Gentleman said, but that is not in the quotation. I am delighted to know that he has ambitions to change not only the social security system, but the tax system. He now wishes to change the structure of income tax. Has the hon. Gentleman got those proposals past the Shadow Cabinet yet? Would he like to intervene and tell me what those proposals are for the change of the income tax structure? His silence speaks volumes.

The Government want to see child benefit at a reasonable level, payable to all families irrespective of means.

Mr. Gordon Brown *rose*——

Mr. Fowler: I shall not give way.

The Government want to see full provision for those with children on supplementary benefit, a more effective system for working families with lower incomes to help with the greater pressures they face, and a continuing reduction in the burden of tax on the lower paid. Our policies and plans are clear, both in the short term and in the proposals that we have put forward for the long term. Our policies are based on a clear view of priorities—in particular, our aim to direct more help towards low-income working families. Our policies also recognise the need to find a balance between benefit levels capable of meeting those objectives and what the taxpayer can afford.

In contrast, we have the approach of the hon. Member for Oldham, West. I do not see what the point is of his coming to the Dispatch Box time after time with promises of spending increases, if he can never provide an adequate answer about how the money will be raised. I do not see the point of his promising money for benefits, if the consequence is to bring down tax thresholds, to drag more people into tax, and to take the benefit money away in higher taxation.

As a result of the uprating system, the Government will spend more than £42 billion a year on the social security budget. Even by the hon. Gentleman's definition, that is not a cut in social security. It is an increase in spending of more than £2 billion a year.

Mr. Frank Dobson (Holborn and St. Pancras): The cost of unemployment.

Mr. Fowler: The hon. Gentleman is wholly wrong. It shows his complete ignorance of social security, which goes hand in hand with his complete ignorance of health policy. Our policies represent the Government's practical commitment to help people, such as the retired, the unemployed——

Mr. Dobson: Will the right hon. Gentleman tell the House what the figures would be if unemployment had remained at the level it was when the Tory Government took power in 1979?

Mr. Fowler: The 30 per cent. real increase in spending from 1979 to today has partly been because of the increase in unemployment, but also because of a real increase in benefits and because there are more beneficiaries, such as the 850,000 extra pensioners.

Mr. Dobson: The right hon. Gentleman is now taking credit for people growing old.

Mr. Fowler: The hon. Gentleman does not understand what I am saying, which is that the Government certainly face their commitments and fulfil them.

We have retained child benefit as a universal benefit paid to the mother, but in addition, the Government are tackling the real problem of bringing extra help to low-income families with children. In the uprating, we are achieving that notably with the help of the family income supplement system. In future, thanks to the review of social security, we shall be able to use the new family credit scheme.

The Government's record is one of giving help and support to families with children, both through the benefit and the tax systems. It is a record that we shall maintain in the future.

5.35 pm

Mr. Frank Field (Birkenhead): The Secretary of State made much of the size of the increase in the social security budget, and he was undoubtedly wise to do so. However, he did not tell the House about the £2 billion increase in social security benefits most of which he had to bring about because of the social security laws. He did not mention that in areas where the Government have discretion, and where there is no legal commitment to keep benefits in line with rises in prices or tax thresholds, such as with child benefit, there have been cuts. Had past commitments to these benefits been fulfilled he would have announced not a £2 billion increase, but a £2·25 billion increase in social security payments. Yet again there has been a cut in the rate of increase in benefits.

Mr. Nicholas Winterton (Macclesfield): It is not a cut.

Mr. Field: If the hon. Gentleman were as diligent in his attendance in the House at these debates as he is in the Select Committee, he would know that I have never claimed that there have been cuts, in the old-fashioned sense, but that we have been talking about cuts in the rate of increase in benefits.

Today we face a major change in the Government's stance. For the first time the Secretary of State has not

made the Government's traditional defence on child benefit. Historically, both Front Benches have advanced powerful arguments why child benefit should be increased, not just in line with prices, which has not occurred this time, but, more important, in line with increases in tax thresholds. I thought that there had been agreement on that, but it appears from the debate that that agreement no longer exists.

During the past 30 years there has been a shift in the tax burden, and that has happened irrespective of which party make up the Government. While the tax burden has risen for all taxpayers, it has risen fastest for those with children. Until today's debate Ministers stood at the Dispatch Box and said that the only effective way of maintaining tax equity between those with responsibility for children and those without was to increase child benefit in line with tax thresholds. We have now reached an important divide, and the Government no longer believe that that is the most effective way. Yet they have not said what from now on their policy will be on redressing the tax burden, so that we reduce it faster for those with children than for those without.

Mr. Tony Favell (Stockport): I have listened to the hon. Gentleman with interest. Does he accept that many better-off people with children—my family included—would willingly forgo a greater rate of increase in child benefit to help those who are less fortunate?

Mr. Field: I shall come to that point. The hon. Gentleman is not as well off as he would be if he did not have children. That is crucial and we must keep it in mind. Just as the hon. Member for Derbyshire, South (Mrs. Currie) was right to talk about the real increase and the real value of child benefit under the Government, we need to look at what that level would have been, had child benefit been increased in line with the rise in tax thresholds for single people and married couples.

The second argument that the Government have always used in these debates, although not today, is that child benefit is the most effective way of tackling family poverty. It is a major change that the Government will now rely on the family income supplement and on the new family credit scheme.

The Government were silent today on the third reason usually put forward by both sides of the House on the importance of child benefit—to maintain and increase incentives to work. There was no mention in the Secretary of State's speech that this is now an important objective of Government policy. He was wise not to say so, because he knows that the more the Government rely on means-tested benefits the more difficult it will be to maintain, let alone increase, the incentive to work. Yet this is a problem that many poor families face.

The fourth reason that binds or used to bind both sides of the House is that child benefit is one way to ensure that the money goes not to the man but to the woman.

The Opposition do not say that, since 1979, the Government have reduced child benefit below what it was under a previous Government. However, had the Government maintained their pledge to keep child benefit in line with rising tax thresholds—the threshold for a single person has risen by almost 90 per cent.—child benefit should have risen by an equal amount, but it has not. It has risen by only 75 per cent., which is a cut and a shift in the burden of taxation from those without children to those with children.

Not only have the Government changed their argument about the defence of child benefit, but it is significant that when the Secretary of State announced the increase in child benefit, small though it was, there was no pro-child benefit lobby among Conservative Members. No Conservative Member criticised the Secretary of State for failing to increase child benefit in line with tax threshold increases. Far from it. The only Conservatives to speak were those asked the Secretary of State to rein back and cut child benefit still further. The organisations that are in business to protect and promote child benefit must now realise from recent debates that, for the first time in 15 or 20 years, there is no Conservative lobby in favour of the benefit. This damaging position must be quickly repaired.

From the uprating statement and from today's statement, we do not know whether the Government have made a once-for-all change in policy or whether the cuts in child benefit will recur in future years. The saving in child benefit is £175 million. My guess is that the Secretary of State has fought his corner in Cabinet to get those funds for his new family credit. We should like to know whether the Secretary of State envisages future cuts in child benefit to pay for even larger resources for the family credit scheme, or whether he was forced to agree to a cut just for this year in order to initiate the scheme. This is an important point, because the anger that we are expressing in this debate about the cut in child benefit is mitigated if it is a once-for-all cut. But it is a different matter if the Secretary of State envisages further cuts in the future to finance the new scheme. I shall happily give way to the Minister to respond to this point.

Mr. Fowler: I am listening.

Mr. Field: The right hon. Gentleman prefers not to respond, but I am pleased that he is listening.

Without the active support for child benefit on the Tory Benches, those of us who put a premium on the benefit must look to the future and adjust our position accordingly——

Hon. Members: Where are they?

Mr. D. N. Campbell-Savours (Workington): They are in Committees.

Mr. Field: I make no excuse for the poor attendance of Labour Members. Even if they are in Committees, it does not excuse their constant poor attendance on social security issues which are of such vital importance. The more we say that, the more chance there is that the powers that be will take note and persuade Labour Members to attend debates, even though they do not wish to speak.

Mr. Campbell-Savours: Will my hon. Friend accept that he is being a little unfair? My hon. Friend knows that there are Committees meeting in the House today and, indeed, every day, which hon. Members must attend. It is not that these debates are any less or more important than those in Committee. Hon. Members cannot be in two places at once. My hon. Friend only aggravates the problem further.

Mr. Field: Not even Labour Members can be in two places at once.

Mr. Deputy Speaker (Mr. Ernest Armstrong): Order. This is a short debate. The hon. Gentleman must not get carried away with sedentary interventions, which delay the debate.

Mr. Robert Hughes: On a point of order, Mr. Deputy Speaker. It ill becomes hon. Members such as the hon. Member for Macclesfield (Mr. Winterton), who has just returned from a swanning trip to South Africa, to complain about the absence of Labour Members from the House.

Mr. Deputy Speaker: The hon. Gentleman knows that that is not a matter for me. I must say that running commentaries from a sedentary position do not help the debate.

Mr. Frank Field: You were right to reprimand me, Mr. Deputy Speaker, but I hope that the point will have been taken by Labour Members.

When the Government set up their reviews of the social security system they were going to invite me to give evidence. But when the Minister of State realised that not much attention would be paid to the evidence, that invitation never materialised. Had I given evidence to the committee, I would have put forward the option of taxing child benefit. Although I wish to see a massive increase in child benefit, as my hon. Friend the Member for Oldham, West (Mr. Meacher) wishes, taxation on child benefit is an option that we should consider without such an increase. Although there are difficulties with such a policy, it would fulfil many of the Government's objectives vis-á-vis family policy. The Government say that they wish to target benefit on the poorest. If we tax child benefit, we shall have an effective targeting policy without any of the take-up problems. Most families with children have a tax threshold above the supplementary benefit level, so we would not be clawing back off the poorest in work. We would be taking from those paying the higher rate of tax. Those on the standard rate of tax would not be worse off, and the gain from that policy would be concentrated on the poorest. That would be an effective targeting policy.

Mr. Edward Leigh (Gainsborough and Horncastle): There is a further option upon which the hon. Gentleman might want to comment—converting child benefit to a tax allowance.

Mr. Field: I shall not follow up that remark because this is a short debate and I should like to see a complete change of tax allowance policy. I believe that we should be moving towards phasing out tax allowances so as to reduce tax rates, but this is not the time to develop that argument.

There are two difficulties with the policy that I have suggested. One is that we should be transferring income within the household. The increased tax would be paid largely by males in work and the money would go to women. Some would see that as a disadvantage and if one were in government one might say that it is a disadvantage. Those of us who wish to see the position of women in our society strengthened would no doubt see it as an advantage.

Another disadvantage is that under the rules for taxing income, that change would mean that the child benefit of those on supplementary benefit would be liable to tax. I suggest that if the Government made such a proposal, they should exempt from tax the child benefit of those on supplementary benefit. At one stroke that would give the Government one of their other objectives—the creation of a family premium within the supplementary benefit system—without creating new administration.

Mr. Favell: I am most interested in what the hon. Gentleman is saying. He has gone a long way towards dealing with the point that I raised with him earlier. The only problem with his suggestion is that taxing child benefit would lead to people being taxed twice. They would be taxed once to provide the money and then taxed on the benefit in the hands of the wife. Could he deal with that problem?

Mr. Field: I cannot deal with it, because I do not fully understand the hon. Gentleman's point, and if I give way again it will delay the debate.

The Secretary of State raised a further objection to that proposal—that the policy would lead to a lowering of the tax threshold. It would be useful if we could make some changes in the language that we use in approaching these debates. While the policy would lead to a change in the tax threshold, it would not lead to a change in the effective tax-free income. Both sides of the House must stop playing the game that when they are in opposition they score points by saying that tax thresholds have been lowered when the tax-free income has been increased and, vice versa, when they are in office. Equally, we need new ways of approaching our categories of public expenditure. If we pay the money as child benefit it appears as public expenditure, but if it is paid as a child tax allowance it does not. The same resources are being used, yet the amount appears differently in the public expenditure accounts. It is marked as a plus or a minus depending upon where one

This is an important debate. Its importance is not completely matched by the number of hon. Members present, but it is matched by the interests of those hon. Members who are in the Chamber. We have reached a watershed in the child benefit debate especially in view of the reaction from the Conservative Benches. That must be taken on board. If there is so little support for increasing the universal benefit in line with tax allowances those whose interests have been to see the furtherance of the benefits must regroup and rethink their position. I am suggesting one avenue of advance which would lead to a considerable increase in the cash payment going to women. It would achieve some of the Government's other objectives on targeting and a family premium within the supplementary benefit system and, above all, it would concentrate resources on the poorest — those in our society who earn poverty wages.

5.54 pm

Mr. Charles Morrison (Devizes): Like the hon. Member for Birkenhead (Mr. Field), I acknowledge and welcome the uprating of benefits announced by my right hon. Friend last week. I do not claim even a fraction of the hon. Member's knowledge of social security, but I share his anxiety about child benefit. I hope that my right hon. Friend will forgive me if I say that I am a little perplexed. He reiterated several times this afternoon that child benefit is important, but it seems to me that we are working ourselves into a position in which we believe and say one thing and do another.

We have already been reminded this afternoon of how my right hon. Friend's predecessor said that the Government were committed to the child benefit system and that, subject to economic and other circumstances, child benefit would be uprated each year to maintain its value. The Government constantly remind us of the improvements in our economic circumstances, yet they are now cutting child benefit.

My right hon. Friend the Prime Minister has more than once emphasised the value and importance of child benefit. Many times before today, my right hon. Friend the Secretary of State has done likewise, yet the Government are increasing child benefit by only 2 per cent., in the face of an inflation rate of 7 per cent. Furthermore, they are doing that not just in the face of their former statements but in the face of a great deal of support from elsewhere for the maintenance of the level of child benefit.

The Child Poverty Action Group brief has been referred to. I find it extremely helpful. Among other things, it referred to the view of the Policy Studies Institute which, I think, is accepted to be a reasonably objective organisation. The institute has concluded that the most efficient mechanism for directing more help to poorer families is an increase in child benefit.

Again, we have been told that apparently no fewer than 38 voluntary organisations have written to my right hon. Friend the Prime Minister complaining about a cut in child benefit. We have also been told about the recent MORI poll which showed that 75 per cent. of mothers said that child benefit was "essential" or "important" for providing for the needs of their children, and that 77 per cent. of mothers said that it was "essential" or "important" as a regular payment paid directly to them.

I received a letter today from the chairman of a committee in my constituency which represents numerous organisations. The lady wrote:

"The Committee are shocked at the proposed minimal rise in Child Benefit when compared with the rate of inflation and the increases to other similar benefits."

The lady expressed disgust in support of those whose families are struggling to survive on low incomes or unemployment benefit.

The views of the Conservative women's national committee have already been described, but it is important that my right hon. Friend the Secretary of State should remember them. That committee stated:

"We recommend that, as economic circumstances permit, child benefit is increased in line with increases in tax allowances or at least protected against rising prices."

The Government are doing neither. I know that my right hon. Friend has said that one-parent benefit will be increased by the full 7 per cent., that family income supplement will be increased by more than 7 per cent. to provide extra help—that is welcome—and that some other family benefits will be similarly improved. However, we have been informed that only 16 per cent. of the £175 million saved by not adjusting child benefit fully in line with inflation is being used to improve benefits for low-income families.

Thus, I hope that my right hon. Friend will forgive me for saying that I am a little perplexed. The Government position seems perverse in the face of their earlier commitments and in the face of public opinion. Their position even seems perverse in the face of the Government amendment which praises child benefit. Indeed, after my right hon. Friend's speech today the Government's position appears perverse in the light of his own remarks.

The amendment seems to suggest that the cause of the Government's proposals for uprating child benefit so inadequately is the Government's recent review of social security. That review has a great deal to commend it and it has a commitment to the continuation of child benefit, but it is only at the Green Paper stage. The Government should not anticipate the ultimate results of that until a new system is agreed by the House. The Government should maintain the best of what exists in our present social security system, and that includes a properly uprated child benefit.

6.2 pm

Mr. Archy Kirkwood (Roxburgh and Berwickshire): Like the hon. Member for Devizes (Mr. Morrison), I am perplexed, and I think that the Government have taken a slightly perverse step in making this cut in the increase in child benefit.

I listened carefully to the Secretary of State. I agree with the hon. Member for Birkenhead (Mr. Field) that the £2 billion increase in the budget, which is not an inconsiderable sum, was virtually a statutory duty, so the Secretary does not get many brownie points from me for making great play of that. The more I listened to the Secretary of State, the more I concluded that the reason why the child benefit increase was being cut was that the uprating forced upon the Government actually cost more than they had budgeted for.

There is a world of difference between saying that the cut was a policy change due to retargeting and redirection, and saying that the budget increase of £500 million—I believe that that was the Secretary of State's figure—had not been expected. I suspect that the real cause is the unexpected increase in the uprating figure over the budgeted figure.

Hon. Members should know what really happened. It is a curious coincidence that yesterday, a short time after the cuts in the increase in child benefit were announced, the Chancellor of the Exchequer reaffirmed his determination to get extra room for tax cuts. I do not follow the hon. Member for Oldham, West (Mr. Meacher) any further down that road, but there is enough evidence to make me suspicious of the Government's motives in failing fully to index the child benefit increase. I hope that right hon. and hon. Members will follow my lead when we vote tonight.

How does the Minister intend to redeploy the resources saved? Is the figure provided by the Child Poverty Action Group correct, as quoted by the hon. Member for Oldham, West, that only 16 per cent. of the £175 million saving from child benefit is to be used to improve benefits for low-income families?

I welcome these changes. They are a step in the right direction. The Secretary of State will know that in the last Budget we took the very hard decision that where there were scarce resources there might be a case for increasing family income supplement so long as one could ensure that the take-up rate was increased. However, with reference to the figures provided by the CPAG, will only £17 million go to family income supplement and £12 million to housing benefit? What is the Government's reaction to that?

This move was not presaged in the newspapers. On the Sunday before the uprating some newspapers stated categorically that child benefit was safe. Something happened between Sunday and Tuesday, and I should very much like to know what that was. I agree with the hon. Member for Birkenhead that the significance of this debate is that it marks the divide in the House on the issue of child benefit, and I join him in deeply regretting that. The commitment that the Government are now giving is only to the universality of the benefit. Before this announcement everyone had assumed that the benefit

[Mr. Archy Kirkwood]

would be price protected. If the Government's commitment is only to universality, that is a new situation which we shall all have to face.

The decision taken in 1980 by the then Secretary of State to reduce the real value of child benefit, which was put right just before the 1983 general election, enabled the Government to say that they were in favour of price protection and were committed to protect child benefit. That has now changed. There are forces within the Conservative party—not just the Conservative women's national committee — which have expressed strong opinions in the House on this issue.

We have not changed our view about the argument of child benefit versus tax allowances. The hon. Member for Devizes mentioned the Policy Studies Institute opinion. We believe that child benefit, as opposed to tax allowances, is a more discriminating and cost-effective way of helping families and a more effective way of concentrating on low-paid families in need. I do not want to consider tax allowances as an alternative to child benefit. Tax allowances give money to the higher paid as well as to the low-paid. We must remember that half a million working families with children will gain nothing from any increase in tax allowance because their income is below the tax threshold. DHSS figures show that 82 per cent. of those living below supplementary benefit level where the family has a full-time worker are families with children. There is also the important fact that child benefit is paid to the mother.

In my arguments about child benefit versus means-tested benefit I must agree with the hon. Member for Oldham, West that the child benefit system is simple and relatively popular, which is in contrast to family income supplement. It is the budgeted take-up that is the problem. Some of the people who qualify for family income supplement qualify for levels of only 18p to 20p. That is also a real problem. Family income supplement has many problems which affect those earning just above supplementary benefit levels. Mothers are hardest hit because they do not get the money that they require to look after their children.

If family credit is paid through the pay packet, it will result in take-up problems and affect children. We need to be told whether the cut in the child benefit increase is to happen only once. The Secretary of State for Social Services said in answer to my intervention during his ststement on the uprating that judgments would have to be made in the light of circumstances. I understand that circumstances can change, but there is a world of difference between that and saying that child benefit will be the target of social security savings in future upratings.

6.10 pm

Mr. John Butterfill (Bournemouth, West): Like the hon. Member for Birkenhead (Mr. Field), I am concerned that many benefits are not well targeted. Although unprecedented levels of taxation are being levied, those who are poor and in need are not being reached. However, I am not convinced that child benefit is the best way to redress the balance. It is a universal benefit. We have a gigantic merry-go-round, with money being collected by the Inland Revenue and transferred via the Treasury to the Department of Health and Social Security. The Department forwards the money to the Post Office, which distributes it, and about 70 per cent. of it goes back to the people from whom it was collected in the first place. The result is that insufficient money reaches those who are most in need. The administrative cost of this merry-go-round is £102 million a year. If one thinks of the total that is collected, that may not seem to be a large amount, but it is substantial. The blind would be glad to receive £102 million in the form of a blindness allowance.

Mr. Frank Field: Does the hon. Gentleman realise where this argument may lead him? Would he care to apply it to mortgage interest relief, where one finds the same recycling? Is there not a case for saying that that benefit ought to be phased out so that the rates of tax can be lowered and people may choose how to spend their money?

Mr. Butterfill: We cannot debate that subject tonight, but I take the hon. Gentleman's point. Those who are most in need, people on supplementary benefits, are unaffected by what is called a cut in child benefit, and those who qualify for family income supplement will do very well out of the new proposals.

If we strip away the rhetoric of the hon. Member for Oldham, West (Mr. Meacher) we find that he is concerned not about the poor but about the pin money of middle-class housewives. It would be better to abolish child benefit, except for those who qualify for supplementary benefit or family income supplement. There should be tapered, child tax allowances for those who do not receive supplementary benefit or family income supplement. The level of benefit paid to the poor would be improved and the administrative savings would be substantial. That money could be used to greater affect elswhere. I urge my right hon. Friend the Secretary of State for Social Services to consider that alternative.

No original ideas have been advanced from the Opposition Front Bench. I was disappointed that the hon. Member for Oldham, West did little more than quote verbatim from the compassionate but muddled brief that was circulated to hon. Members by the Child Poverty Action Group. His speech contrasted starkly with the thoughtful contribution of the hon. Member for Birkenhead and with the creative and compassionate approach of my right hon. Friend the Secretary of State, both in the Green Paper and in his speech.

6.15 pm

Mrs. Virginia Bottomley (Surrey, South West): I wonder whether the arguments of my hon. Friend the Member for Bournemouth, West (Mr. Butterfill) also apply to the old age pension. Does he think that old age pensions should be provided only for those with below-average incomes? Individuals should be looked at in terms of their life cycle. Before reaching working age we are provided for and cared for, at least in part, by the State, whether through the taxation system or the welfare system. After retirement, once again we receive the benefit of State support and encouragement. I remind hon. Members that, under the child tax allowance system, the more children people had the better off they were. As a Conservative, I do not support a system of that kind; nor do I support the undermining of child benefit.

Mr. Butterfill: I would remind my hon. Friend that I said that child tax allowances ought to be tapered.

Mrs. Bottomley: I take my hon. Friend's point.

Mr. Field: But they are tapered the wrong way.

Mrs. Bottomley: The uprated allowance for an adult dependant is between £18 and £23 a week. The costs of a child, particularly a teenager, can be argued to be well above the costs of an adult dependant. Their nutritional needs, clothing needs and frequently their social needs are greater. Those needs must be fully recognised. I welcome the fact that family credit will take into account the age of children.

The key point about child benefit is its simplicity, reliability and regularity. When we look at the Green Paper and the uprating figures we see that endless categories of people are considered to be static groups: the disabled, the one-parent families, the unemployed. But the reality is that the lives of people are constantly changing. There are more one-parent families, but more people are getting remarried. Seven million people change their jobs every year, but 4 million people go from the unemployment register into work every year. The joy of child benefit is that a reliable, regular income is paid through thick and thin.

Hon. Members have no excuse for not appreciating the complexity of people's lives and the difficulties they get into over form filling, because our constituents attend our surgeries and ask us to try to make sense of the complexity of welfare benefits. As we have the greatest difficulty in understanding the benefits, it is hardly surprising that the most vulnerable members of our society do not understand what they are entitled to and how the system works. The joy of child benefit is that everybody, from the richest to the poorest in the land, knows that it is available and knows how to get it. Women frequently say that child benefit has helped them to keep going. It would be very sad if we ended the United Nations decade for women by undermining what has become their right and their expectation.

The debate on child benefit took place in International Women's Year. My right hon. Friend asked then whether the amount paid in child benefit could be entered on a man's pay slip. That does not happen, although my right hon. Friend is now the Secretary of State, so there may be greater difficulties about my suggestion than I appreciate. I recognise the difficulty created if a woman is obtaining a substantial amount of benefit but her husband feels that he is being heavily taxed — not realising where the money is going.

Another key advantage of child benefit is the maintenance of unit labour costs. We were reminded this week by the Chancellor of the Exchequer of the importance of maintaining competitive labour costs. The sting comes from the man with several children who is probably better off out of work. The maintenance of child benefit is one way in which to help those people.

I am pleased that so many references have been made to the longstanding work of the Conservative women's national committee. I wish to refer to a different part of its proposals:

"We argue strongly that Child Benefit should have a high priority in our welfare system. Of all our social provisions it is remarkable, in that it has an almost universal take-up, is comparatively easy and cheap to administer and is paid directly in response to the need of children."

Like other hon. Members, I have received letters from constituents. One movingly states:

"It has been believed in good faith that this benefit would keep pace with inflation, but sadly this does not seem to be so any more. I realise that there are moves afoot to try to ease the plight of the low paid and unemployed, but there are those of us, who are just out of the supplementary benefit bracket, who find it very hard to make ends meet".

There are many other such women across the country.

I shall be supporting the Government tonight, but the child benefit lobby may have been lulled by the fact that child benefits were at record levels at the last general election. It may have been lulled in the short term, but when we look to the future I hope that the Government will realise that many of us are alive to and aware of child benefits and that we shall continue to fight for them.

6.20 pm

Mr. Gordon Brown (Dunfermline, East): Child benefit is a right. We were reminded today of when the Prime Minister said that it was evidence of the Government's commitment to the family. The Foreign Secretary has said that child benefit offers the greatest help to many of our poorest families. The Secretary of State for Social Services is on record as saying that child benefit was one of the most cost-effective ways of helping families with children and easing family poverty. Two years ago, just before the election, the Prime Minister said that there were no plans to change the basis on which child benefit is calculated. Indeed, before the 1979 election the then Conservative social services spokesman was prepared to say that he wanted child benefit to rise in line with tax allowances. That would have put child benefit up to £8 at this uprating. Before the last election, social services Ministers were prepared to say that they wanted to see child benefit consistently rise in line with inflation.

Given all that, it should be of serious concern to the House that the majority of Conservative Members—who have been prepared to lead a rebellion over student grants and to threaten a revolt over the situation affecting commercial ratepayers—are, with only a few notable exceptions, virtually silent over the Government's proposed cut in the value of child benefit, which comes on top of ending the automatic right to maternity benefit, a reduction in the value of widows' allowances and an end to the right to free school meals for a substantial section of the population.

What is worse, 500,000 children are living below the supplementary benefit payments level, and 3·75 million children are living on the fringes of poverty. Poverty among children, even on the Government's official figures, has doubled since 1979. Either one child in every four goes to school ill-clad and hungry, or parents must choose between heating and eating. It is therefore remarkable that the majority of Conservative Members have been silent as the Government have moved not from a period of consultation without information — the situation two weeks ago—but to implementation of the review proposals without consultation or information.

Conservative Members remain silent as 2 million people stand to lose housing benefit from November as a result of changes in the rates tapers. They are silent despite the fact that 500,000 people will lose housing benefit altogether, most of them pensioners. Although £29 million will go towards higher child additions for people on family income supplement and housing benefits, £175 million has been taken out of the child benefit budget without any assurance that child benefit will rise in line with inflation, or even at all, next year, the year after or in any year to come.

[Mr. Gordon Brown]

As a new Member of Parliament, I have come to suspect three things. The first is a debtor who tells me that a cheque is in the post. The second is a Conservative who invites me to a debate on philosophy. The third is a Conservative Back Bencher who tells me that he is about to lead a revolt or rebellion. Whether it be the Tory wets, those who support the concept of one nation, or the Centre Forward group, which seems to have disappeared as the football season ended, Conservative Members by their silence are saying that they are prepared to tolerate a divided nation in preference to living with a divided Conservative party over the social security review proposals.

They are prepared to support a reduction in taxation in preference to a reduction in deprivation. The Chancellor yesterday made a commitment that he would reduce taxes no matter what happens. A 1p in the pound reduction in taxation will cost around £1 billion. Before Conservative Members support that commitment, they should remember that it will mean that 7 million households, most of them pensioner households, will lose some housing benefit; 7 million mothers and 12 million children will lose the increase in child benefit that they should receive; and the 7 million people who depend on supplementary benefit will cumulatively get less money as a result of the social security changes.

To save £1 billion to secure a 1p in the pound reduction in income tax, the Secretary of State for Social Services has had to abandon any claim that this is a nil-cost review. It is a cost-cutting review in housing and child benefits, and it will be a cost-cutting review in terms of supplementary benefit.

We know that the cost of raising a child is far greater than the child benefit payment and the supplementary benefit addition for children. All the recent evidence in the paper produced by the Child Poverty Action Group—other organisations have drawn attention to it as well—shows that at present child benefit can cover barely one fifth of the cost of bringing up a teenage child.

On this and previous occasions Conservative Members have asked, "Why should rich mothers get child benefit?" They ignore the fact that child benefit was originally designed as a benefit to be paid to the mother rather than the husband. If we move from the universal concept of child benefit by reducing its value and introduce further means tests, the big money savings will come not from debarring the claims of the rich but from deterring the claims of the poor. Conservative Members are saying that they are prepared to allow child benefit to be frozen, as the Government probably intend to do from next year. They are really saying——

Mr. Douglas Hogg (Grantham) *rose*——

Mr. Brown: I am not giving way.

Conservative Members are saying that it is too expensive to run a welfare state, particularly a family policy for children, without the stigma and shame attached to claiming means-tested benefits. They also tell us that family credit will do more for low-income families than child benefit. But how can we accept vague assurances about uncosted proposals for family credit, undisclosed benefit rates, an unknown number of beneficiaries and an unknowable impact on poverty when in their uprating statement last week the Government took away £175 million from child benefit and are to return only about £30 million to low-paid families? How can we accept any vague assurances from the Government about family credit when during the reviews they betrayed their promises on the state earnings-related pension scheme and widows' allowances? They have certainly betrayed the promise made by the Secretary of State at the outset, that these would be nil-cost reviews and that there would be no savings as a result.

Thirdly, Conservative Members tell us that they are prepared to support child benefit because it is simple, popular and easy to understand. They seem to forget that the main reason that we support rises in child benefit is that it is the most cost-effective, efficient and economical way of easing family poverty.

In addition to asking the Minister, as did the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood), whether he can give an assurance that child benefit will not be frozen this year, may I ask him to confirm that, if one were to put the £1·5 billion which would ease the burden of family poverty into reducing taxation, that would help very few families substantially and none who are below the income tax level? It would help only those on one third average earnings by 60p a week, whereas child benefit could be doubled or at least raised by £6 which would help those on between half and one and a half times average earnings to the extent of £1·88 per week. An increase in child benefit of £6 per week would be a much more cost-effective way of expending the same amount of money to ease family poverty.

If the Government were serious about using the tax and benefits system to reduce family poverty and were not merely intending to cut taxes for the sake of it, without any consideration of the impact on poverty, they would propose to the House that, in preference to reducing the standard rate of income tax or raising tax thresholds the rate of child benefit should rise substantially.

I am not particularly concerned that the facts and figures which we have been expecting got lost on the way to the Cabinet or the printers. What worries me most is that the vision that inspired the Beveridge report and the commitment that has inspired previous Governments to act on family poverty is totally missing from any of the proposals and rhetoric contained in the reviews.

I urge Conservative Members to reconsider their decision on child benefit as well as on other benefits which have been attacked by the reviews. I urge the Government to use the period of consultation to listen not only to the Conservative women's national committee but to a whole series of non-political representative organisations. Not only are these organisations asking that child benefit be raised; they are pressing the Government with the claim that that is the most effective way of reducing family poverty.

6.32 pm

Mrs. Edwina Currie (Derbyshire, South): Like my hon. Friend the Member for Surrey, South-West (Mrs. Bottomley), I am one of the few Members who actually claim child benefit; I have my book in my handbag and am grateful for the £54·80 which we receive every month. It is a very valuable and useful addition to the Currie family budget. As in most of the other 7 million families in the country with their 12 million children, it is spent mostly on the children.

All the advantages of the child benefit system have been rehearsed tonight. It is payable to everyone, it is cheap to administer, and it costs 25p per payment, which is one tenth what a supplementary benefit payment costs to administer. There is a feeling of equity, that we are all the same and that we are all in the same boat.

But I think that those of us in the position of my hon. Friend and myself should have an uneasy feeling about it. If we are to criticise, as Opposition Members have, tax cuts to families which do not need them, we ought equally to criticise benefit payments to families which do not need them. I do not need the money. Seventy-five per cent. of all families are over the supplementary benefit line before they receive child benefit. Those families which are in need and in receipt of family income supplement and supplementary benefit do not get any benefit from the child benefit payment; it is simply taken into account when their needs are calculated, so they do not see it.

We should also be aware of how much money we are talking about. If we were to abolish child benefit—we are talking about £4·4 billion this year—we would need about £800 million to make up to the families receiving family income supplement and supplementary benefit the element accounted for by child benefit. That would leave about £3,500 million to play with for all the other families of the nation. What we could do with that is raise all tax thresholds by 18 per cent. or reduce the standard rate of income tax to 27 per cent., and that would benefit all those families as well.

Mr. Frank Field: It would do the exact opposite. What the hon. Lady proposes is to take money away from families and spread it throughout the nation, including that half of the nation which do not have children.

Mrs. Currie: There are all sorts of ways of doing this. I merely quote the figures to show hon. Members exactly how much money we are talking about, and what a big dent in the tax system child benefit makes.

The Government have decided to raise child benefit for lone parents by the rate of inflation, child benefit for family income supplement receivers by more than inflation and my child benefit by less. I happen to think that that is right. Seven pounds per week per child will still be very nice. I do not feel the agony of the Labour motion at not getting an additional 33p per week on top of my £7.

Quite honestly, I would rather see inflation fall, because a drop in inflation would be of more value not only to the receivers of child benefit but to everyone else in the nation; more than almost anything else that we could propose.

The Labour motion talks about breach of promise. I always thought that breach of promise was one of those very difficult things to prove in court and that the evidence that would be produced by the defendant would often point to the rather sleazy background of the plaintiff. If I may have the permission of the House, that is exactly what I propose to do.

I asked the Library to produce for us the figures on the real value of the combined child benefit and child tax relief that we used to have before 1978, and it produced figures that go back to 1946. The support for a one-child family in August 1946 amounted, in November 1984 prices, to £5·28. In April 1951, the figure, as the hon. Member for Oldham, West (Mr. Meacher) quoted it, was £6·56. In 1956, it was £6·46, and so on. Then we get to the last Labour Government. In 1976, it was £4·72, quite a drop. Now we come to our Government. Last year, it was £6·82 and this year it is £6·85. The only years—and I am quoting—in which the child support in real terms was higher than November 1984 were in April 1952 under a Tory Government and in April 1955 under a Tory Government.

If it comes to having a go at a particular Government's policy on child benefit, the Labour party does not have a leg to stand on. If it comes to breach of promise, the Labour party bride is rolling up to the altar in the emperor's clothes, and it is a rather embarrassing sight.

As for Labour's own policy, that has already been dealt with to some extent very ably by my right hon. and hon. Friends. I think that it is worth pointing out two small points in the time available to me. The hon. Member for Oldham, West for about three days in April, managed to propose, before his other right hon. and hon. Friends got to him, that Labour should double the child benefit for most of us and treble the child benefit to children of single-parent families. To pay for all this, the married man's tax allowance would be abolished and the additional single person's tax allowance would disappear. On top of that, fewer people would be eligible for family income supplement, fewer people would be eligible for free prescriptions and fewer children would get free school meals. That was in all those proposals. That is quite an exciting suggestion—it is a good job that it was thrown out.

On top of that, the hon. Gentleman clearly said—I quote from his document on page 17—that he would have

"an amalgamated National Insurance and Incomes Acts levied on a progressive basis on all personal income at rates of 15 per cent., 30 per cent., 45 per cent. and 60 per cent."

As I understand it, that would be a tax on child benefit, and it also means that he would tax the lower income groups at 15 per cent. In the Standing Committee on the Social Security Bill, on which I served, we cut the rate of national insurance contribution for the lowest-paid workers to 5 per cent., so the Labour party proposals would tax the lowest paid workers three times as much as we would in order to do that.

The hon. Member for Oldham, West is quoted in *The Guardian* of 16 April this year as saying that

"his main aim was to abolish the degrading supplementary benefit system which he described as 'a fraud'."

Up in Derbyshire, we say that it takes one to know one, but it would be both unparliamentary and very unkind of me to direct a remark of that nature to the hon. Gentleman, who is not even listening.

My other main criticism of the motion refers to the question of mothers being the recipients. I have no desire to change the system, because I think that changing it would simply be change for change's sake, but I should like to challenge some of the underlying attitudes and at the same time to say that I find these attitudes on both sides of the House.

Sixty per cent. of all women of working age work. We make up to 41 per cent. of the workforce, and the percentage is growing. The household with the man as the sole earner and the woman at home with two children is very rare. Such households make up only 5 per cent. of all households. Most mothers now work. Many mothers are now taxpayers. It is patronising, wrong and out of date to suggest that we are not interested in tax cuts. Of course

[Mrs. Currie]

we are interested in them. Many working mothers will benefit more than their husbands from raising tax thresholds, because it is a common practice for many mothers to work up to the rate at which they start paying tax, and no further. If we raise that rate, they will be able to earn more money. That point should be put across firmly.

As to the notion that the cash handout should go to the mother because she looks after the children, I have to say that I think that parents look after the children. We should not perpetuate the idea that children need only their mother and that only the mother is capable of taking that responsibility. That is nonsense. That sort of philosophy, borne of feminism, has created far too many single-parent families and deprived far too many men of their children.

The child benefit system has none of the special qualities attributed to it by hon. Members. It is merely the redistribution of £4·4 billion a year. It comes from tax-paying pensioners. It comes from my constituents who pay VAT on their fish and chips or on the porch to go on their houses. The child benefit system competes with the other services that we would like—for example, the National Health Service, pensions, good roads and education. Child benefit goes to the mother of every child—not where there is a need but where there is a child, whether living in a castle or a hovel. We keep it because the British people want it. The Government's sensitive and generous approach deserves our support.

6.41 pm

Mr. Timothy Wood (Stevenage): In this debate we must first re-emphasise that child benefit must be considered not in isolation but in conjunction with family income supplement and benefits paid to the poorer families in general. It is appropriate and sensible that we are going forward in the proposed upratings with a system that substantially increases family income supplement and thus directs more money to those in need.

I accept the worries that have been expressed about the poor take-up of family income supplement. Because of this poor take-up, I supported the changes in the Green Paper with respect to family credit. This is a much better approach towards providing special assistance for the poor and general support for children.

I very much respect the remarks made on many occasions in debates such as this by the hon. Member for Birkenhead (Mr. Field), but I was slightly surprised today by some of his comments. If I understood him correctly, he said that it would be possible to tax child benefit and that this would have a significant impact on families with a number of children which were caught in the poverty trap. I do not believe that that is true. Having looked at the figures in detail, I believe that the introduction of a tax on child benefit would effectively reduce the level of pay at which low-wage families would be subjected to tax. That would have an adverse effect.

The only way to cope satisfactorily with the problem would be to introduce a child allowance system or low tax threshold system for families with children. If that were done, one might be able to pursue the type of idea that is put forward by the hon. Member for Birkenhead and a number of my colleagues. If that were not done, the measure would have a damaging effect on low-income families with several children in terms of the poverty trap and the level of their take-home pay after wage increases. I have great reservations about that change.

It is important that we do not consider any one benefit in isolation and that we welcome the substantial increase in family income supplement and the help that it will give to those most in need.

6.45 pm

The Minister for Social Security (Mr. Tony Newton): The debate has revealed a wide range of views, but it has singularly failed to throw the slightest additional light of any kind on the policies that the Labour party is urging on the House. One aspect about the Labour party that has become clearer during the debate is——

Mr. Roland Boyes (Houghton and Washington): The Minister is already accepting that we will form the next Government. He has put up the white flag.

Mr. Newton: I should like to say to the hon. Gentleman—*[Interruption.]*

Mr. Speaker: Order. Give the Minister a chance; he has only been up one minute.

Mr. Boyes: That is too long.

Mr. Newton: It is all right. The hon. Member for Houghton and Washington (Mr. Boyes) is not a bad bloke. I do not mind dealing with him. I am treating the Labour party with at least the respect that one would give those who presumably wish to become the Government. The only way in which the Labour party will have the slightest chance of becoming the Government—it is a very slight chance—is for it to have some type of policy. I want to know when we will be given the slightest sign of that policy. We learnt just one thing during the past two and a half hours about the Labour party—the Labour party's interest in child benefit is three deep. That is the number of Labour Members who were here to hear the hon. Member for Oldham, West (Mr. Meacher) when he started his speech. Three Labour party Members were here to hear this great assault on the Government's social security policy, and one them left during the first paragraph! Frankly, he did not miss a thing.

I shall deal with some of the criticisms of the proposals in last week's uprating statement by my right hon. Friend the Secretary of State. It is right that I should repeat what he said. These proposals are in the context of an uprating which spent an additional £2 billion on social security benefits, taking it to a total of £42 billion, which represents one pound in every three of the money that is raised from taxpayers and contributors in taxation and contributions. It is worth my saying again that the uprating included an increase of £4 a week for married pensioner couples. This means that the pension of a married couple and, indeed, of all retirement pensioners will have risen by 96 per cent. between the time when the Conservative party took office and November 1985, compared with a rise of 86 per cent —10 per cent. more than the expected increase—in prices during the same period. Last week's uprating statement included a range of measures to help less well-off families, especially those with children in work.

The hon. Member for Oldham, West make some play of the figures relating to the complicated inter-relationship between family income supplement, supplementary benefit and child's needs allowances in housing benefit. I have no hesitation in accepting, first, that that

relationship is complicated and, secondly, that it makes it difficult for Governments — whatever their colour — to achieve rational results with their policies. In the social security review we have put forward the first coherent structure in 50 years for income-related benefits to enable us to target resources more effectively.

Even with those problems and the kinks that inevitably occur within the present complicated and incoherent system, a married couple with two children aged 4 and 6, and whose gross earnings are £60 will get an increase in the family income supplement of £1, an increase in housing benefit of 53p and, even allowing for the fact that they will not be receiving the 70p of child benefit represented by the 35p — the difference between its uprating and the full prices figure—they will be better off by 83p net a week. The same would be true for the same family on £80 a week, and it would be 1p less for that family on £100 a week. For a married couple, with two children aged 12 and 14, on exactly the same basis, allowing for the fact that child benefit has gone up by 15p, and not 50p, there will still be, for the £60 a week couple, a net increase of £1·50 over and above what they would otherwise have received; for those on £80 a week an increase of £1·50; and for those on £100 a week an increase of £1·40.

Of course I accept that this is subject to problems of take-up, just as it is subject to problems of complication, but that is why the Government are seeking in the social security review to achieve a simpler, fairer, more understandable and more readily receivable social security system. The fact that we have problems at the moment which the Government are trying to tackle strategically does not give cause for accusation, because we are trying at least to do what we can to help less well-off families within the existing benefits structure.

I make no apologies whatever for that or for the fact that only a few months ago, in my right hon. and learned Friend's Budget, changes in national insurance contributions were announced which will benefit most of those self-same families by a significant additional £1 or £2 a week. In the last three months we have probably seen the announcement of the most significant extra package of help to low-paid families with children that any Government have introduced for several years.

Mr. Frank Field: The Minister has talked about the Government making strategic decisions. Until the announcement last week, the Government had increased child benefit in line with rising prices. They did not do so this year. Is that the policy from now on, or was this a one-off decision just for this year?

Mr. Newton: The hon. Gentleman asked that question in the course of his speech, and I would have answered it later. The Government's position on the uprating of child benefit is, as it has always been, and as it was stated by my right hon. Friend some time ago, that inescapably this is a matter, like many others in social security, on which we have to make judgments when the decisions are taken in the light of all the circumstances prevailing and of particular social priorities — in this case our desire to steer additional help to less well-off families with children.

Mr. Kirkwood: Will the Minister give the Government's strategic response to the universality of child benefit? Can he go as far as to say that he would interfere with that, if he cannot give the assurance for which the hon. Member for Birkenhead (Mr. Field) is asking?

Mr. Newton: The Green Paper makes it clear, as we have made it clear on a number of occasions, that the Government adhere to the concept of a universal child benefit payable through the mother. I hope that that will be some reassurance to my hon. Friend the Member for Surrey, South-West (Mrs. Bottomley) as well. There is no question of departing from that principle, and that is made very clear in the Green Paper.

Mr. Gordon Brown: Will the Minister confirm that the Government have now abandoned any pretence that child benefit will continue to rise in line with inflation in future years? Secondly, will he tell us whether, if that decision is made, the £175 million saved this year and the perhaps £500 million saved by the time of the next general election will go to the family credit scheme, or will only a small fraction of it go, as happened last week, to improving family income supplement?

Mr. Newton: I do not know what the hon. Gentleman means by using the word "pretence" in this context. I have made the position absolutely clear — that the Government will make judgments about the proper level of child benefit in the light of the circumstances prevailing at the time when those decisions have to be made, taking account of other social priorities, including our particular wish to direct more help more effectively to families with children.

Mr. Frank Field: Will the Minister accept that the answer that he has given is clear and that it is a major change in the stance that every other Conservative spokesman has taken on this issue?

Mr. Newton: I do not think that it is a major change, with the significance with which the hon. Gentleman has sought to invest it. My right hon. Friend the Member for Wanstead and Woodford (Mr. Jenkin), my right hon. Friend's predecessor, made it clear in the statement that has been quoted several times today that the Government's decision in this matter would necessarily be related to economic and other circumstances. Those other circumstances necessarily include judgments about the overall priorities of the social security budget and are particularly concerned with low-paid families in work, on which I placed a good deal of emphasis.

I have said that I think that the hon. Member for Oldham, West did rather less than justice to the Government's proposals represented in the uprating statement. Perhaps that was understandable, since he did even less justice to his own proposals and to the thoughts that he has put, not just before the House, but before the country as a whole.

Perhaps I might have the attention of the hon. Member for Oldham, West for a moment or two, because I am anxious to regale the House with his words on "Newsnight" on 18 June. Indeed, as he said earlier in the debate, I was taking part in the programme with him. He said:

> "We do need a better integration between income tax and the social security system, but based on an income tax system which is graded in its structure so that the lowest paid are either out of tax altogether or they pay a low rate of 15 per cent. and above that 30, 45 or 60 per cent.
>
> If you had that you could pay universal benefit like child benefit to everyone but then concentrate it on those in greatest

[Mr. Newton]

need without a means test by taxing it, and that would be a far better way of ensuring that we retain universality but at the same time concentrate it on those who really need it."

When he was challenged by my right hon. Friend about this notion of taxing child benefit—which I must say the Child Poverty Action Group considers to be just as much an attack on child benefit as anything that the present Government have done—the hon. Gentleman said that what he had in mind was a different structure of taxation. Now, however, as we have learnt from his green—or whatever colour it was—paper, which has disappeared into some pigeon-hole somewhere, the hon. Gentleman's idea of a new structure of taxation appears to be one in which everybody right down to the bottom of the income range pays at least 15 per cent. income tax — [HON. MEMBERS: "No."] Well, what else does it mean? It says that the lowest payers are either out of tax altogether or pay a low rate of 15 per cent. Let the hon. Gentleman tell me what he means.

Mr. Meacher: It is obvious.

Mr. Newton: The hon. Gentleman does not know what it means. The one thing that has encouraged me in the debates on this issue over the past few weeks is that there is at least one thing in common between the Opposition Front Bench spokesman on social security and the Leader of the Opposition, who is unhappily absent,and that is that neither of them understands half the things that he says in the House. The hon. Gentleman has clearly signalled that it is his intention, in some way or another, to tax child benefit, whether at 15 per cent. or 30 per cent., in the hands of very large numbers of people. There is no way that that structure will work without substantial numbers of the families whom the hon. Gentleman is claiming to protect having effectively a 30 per cent. or 15 per cent. cut in their child benefit in the form of a major raising of the tax threshold for the person earning the salary.

I hope that the hon. Member for Birkenhead (Mr. Field) will reflect that any such variants of taxing child benefit lead instantly and automatically to a substantial reduction in take-home pay for every family man who is a wage or salary earner. It is not, therefore, a sensible proposal.

Whether that is recognised through the tax or benefits system, or in what combination and at what level, are matters for debate about child benefit. In our system, it is recognised by universal child benefit paid to the mother, and we believe that that should continue, although it does not follow that its relationship with other benefits is immutable or that the Government can escape the need to make judgments from time to time.

Our judgment this year is that it is reasonable to make an increase of 15p for everyone and to give extra help to less well-off families through FIS and housing benefit. That is a judgment for which we do not apologise and which, I believe, the House as a whole will back.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 144, Noes 241.

Division No. 251] **[7 pm**

AYES

Archer, Rt Hon Peter
Ashley, Rt Hon Jack
Ashton, Joe
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barnett, Guy
Beckett, Mrs Margaret
Beggs, Roy
Beith, A. J.
Bell, Stuart
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, Ron *(E'burgh, Leith)*
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Carlile, Alexander *(Montg'y)*
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clay, Robert
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Concannon, Rt Hon J. D.
Conlan, Bernard
Cook, Frank *(Stockton North)*
Corbyn, Jeremy
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Cunningham, Dr John
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Dubs, Alfred
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Ellis, Raymond
Evans, John *(St. Helens N)*
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement
George, Bruce
Godman, Dr Norman
Gould, Bryan
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Central Fife)*
Harman, Ms Harriet
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Hattersley, Rt Hon Roy
Haynes, Frank
Healey, Rt Hon Denis
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Howell, Rt Hon D. *(S'heath)*
Hoyle, Douglas
Hughes, Robert *(Aberdeen N)*
Hume, John
Janner, Hon Greville
Kilfedder, James A.
Kilroy-Silk, Robert
Kirkwood, Archy
Lamond, James
Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lofthouse, Geoffrey
McCartney, Hugh
McCrea, Rev William
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
MacKenzie, Rt Hon Gregor
McNamara, Kevin
Madden, Max
Maginnis, Ken
Martin, Michael
Mason, Rt Hon Roy
Maxton, John
Meacher, Michael
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Molyneaux, Rt Hon James
Oakes, Rt Hon Gordon
O'Brien, William
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Pike, Peter
Powell, Rt Hon J. E. *(S Down)*
Powell, Raymond *(Ogmore)*
Prescott, John
Redmond, M.
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Rowlands, Ted
Ryman, John
Sedgemore, Brian
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, Rt Hon J. *(M'kl'ds E)*
Smyth, Rev W. M. *(Belfast S)*
Snape, Peter
Soley, Clive
Stewart, Rt Hon D. *(W Isles)*
Stott, Roger
Strang, Gavin
Torney, Tom
Wainwright, R.
Walker, Cecil *(Belfast N)*
Wareing, Robert
Weetch, Ken
Welsh, Michael
Winnick, David
Woodall, Alec
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. John McWilliam and
Mr. Lawrence Cunliffe.

NOES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkinson, David *(B'm'th E)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian

Bennett, Rt Hon Sir Frederic
Benyon, William
Best, Keith
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Bruinvels, Peter
Bryan, Sir Paul
Burt, Alistair
Butler, Hon Adam
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Chope, Christopher
Clark, Hon A. *(Plym'th S'n)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Couchman, James
Cranborne, Viscount
Critchley, Julian
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Dunn, Robert
Durant, Tony
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Anthony
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Fowler, Rt Hon Norman
Fox, Marcus
Gale, Roger
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Glyn, Dr Alan
Gorst, John
Grant, Sir Anthony
Greenway, Harry
Griffiths, Sir Eldon
Gummer, John Selwyn
Hamilton, Neil *(Tatton)*
Hargreaves, Kenneth
Haselhurst, Alan
Hayes, J.
Hayward, Robert
Heddle, John
Hickmet, Richard
Higgins, Rt Hon Terence L.
Holland, Sir Philip *(Gedling)*
Holt, Richard
Jenkin, Rt Hon Patrick
Johnson Smith, Sir Geoffrey
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knox, David
Lang, Ian
Latham, Michael
Lawrence, Ivan
Lawson, Rt Hon Nigel
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Peter, *(Fareham)*
Lord, Michael
Luce, Richard
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
MacGregor, John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McNair-Wilson, P. *(New F'st)*
McQuarrie, Albert
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Mather, Carol
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Meyer, Sir Anthony
Mills, Iain *(Meriden)*
Miscampbell, Norman
Mitchell, David *(NW Hants)*
Moate, Roger
Montgomery, Sir Fergus
Morris, M. *(N'hampton, S)*
Morrison, Hon C. *(Devizes)*
Moynihan, Hon C.
Murphy, Christopher
Needham, Richard
Nelson, Anthony
Newton, Tony
Nicholls, Patrick
Normanton, Tom
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Patten, J. *(Oxf W & Abdgn)*
Pawsey, James
Peacock, Mrs Elizabeth
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Proctor, K. Harvey
Raison, Rt Hon Timothy
Rees, Rt Hon Peter *(Dover)*
Rhodes James, Robert
Ridsdale, Sir Julian
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Sims, Roger
Skeet, T. H. H.
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spence, John
Spencer, Derek
Spicer, Jim *(W Dorset)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf dshire)*
Stokes, John
Stradling Thomas, J.
Sumberg, David
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Waddington, David
Wakeham, Rt Hon John
Walden, George
Walker, Bill *(T'side N)*
Walker, Rt Hon P. *(W'cester)*
Wall, Sir Patrick
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watts, John
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitney, Raymond
Wiggin, Jerry
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Archie Hamilton and
Mr. Michael Neubert.

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith pursuant to Standing Order No. 33 (Questions on amendments), and agreed to.*

MR. SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House endorses the Government's commitment to maintain Child Benefit as a universal benefit paid to all mothers as a contribution to the cost of bringing up children; notes that an additional £2 billion will be spent on benefits as a result of the uprating in November; welcomes the additional help that will be provided for low income families with children and welcomes the proposals for a simpler and more effective benefit structure which will result from the Government's recent review.

Housing Benefit

Mr. Speaker: I have to inform the House that I have selected the amendment in the name of the Prime Minister.

7.13 pm

Mrs. Margaret Beckett (Derby, South): I beg to move,

That this House condemns the Government's record on Housing Benefit which brought administrative chaos when it was introduced and has since been repeatedly cut with the result that pensioners and poorer families have been deprived of essential help with housing costs; and opposes further proposals in the social security reviews which would bring further cuts and greater poverty.

The history of housing benefit has been one of the most extraordinary — and that is saying something — in the lifetime of this Government. The Government have been warned consistently about the structure of the benefit itself and about the problems created by the timing of the changes that they propose. Consistently, the Government have ignored the warnings and now, in their amendment, they blandly try to take credit for simplifying the system that they introduced. I shall look first at the proposals that the Government have laid before us and then briefly at their record in this area.

Housing benefit highlights the absurdity of the Government's pretence in the Green Paper, that no figures are available for the changes that they have discussed. Not only have examples been given of a joint taper of 70 per cent. that might be proposed, but we have been told what losses or cuts the Government expect to make from their housing benefit proposals. They expect to save some £500 million.

On the basis of the 70 per cent. example given in the Green Paper, I understand that a pensioner couple on about £75 a week would lose the whole of their present rebate of almost £5. Similarly, a married couple with two children on £110 a week, which is not a large sum by anybody's standards, would also lose all or most of their present rebate, again of almost £5. Those are substantial sums for people on such incomes, particularly for those who are trying to raise children.

One of the first things that we hope to hear from the Government in the debate is whether those figures are accurate and how great the damage to claimants will be. The Government know that they will save £500 million but they claim that they do not know who will contribute to the savings. They do not know how they will contribute to the savings or how much each particular group will lose in order to make that contribution. My first quesion is: is there any further titbit of information that the Under-Secretary can give us about the numbers of gainers and losers? If not, why not? If not, the unworthy thought occurs to us that it may be because of the contrast between the review team's proposals and those of the Government, and perhaps more because of the effects of the review team's proposals.

In the recommendations from the carefully selected group that carried out the review, we were told that about one third of those who get housing benefits would lose, although about one quarter — a smaller, but still substantial, number — might gain. However, when the review team suggested that there might be somewhat more losers than gainers, and that that was the order of magnitude, it was on the basis that the same money would be available from the scheme as a whole, and that there would be separate rent and rates tapers. Even with those provisos, the review team identified losses for what was reckoned to be 3 million people who now receive housing benefits.

The Government are not making the same proposals. They are proposing not nil-cost changes, but changes that will save at least £500 million. Nor are the Government proposing separate rent and rates tapers—they are going for a joint taper. On rebates alone, it looks as if the Government's proposals will mean losses for 5 million people. On rent and rate rebates, it looks likely that about 7 million people will suffer losses in their housing benefit.

If those figures are incorrect, we should be happy to learn from the Minister what the real figures are, but the Government's reluctance so far to give us any information makes us suspect that those figures may be accurate. Of the 5 million to 7 million people who will lose benefit, it has been estimated that between 1 million and almost 2 million will lose all entitlement to any housing benefit.

That brings me to the second question that I should like to ask the Minister, which is in two parts. First, I noticed that on Monday his hon. Friend the Minister for Social Security said in a reply to my hon. Friend the Member for Dunfermline, East (Mr. Brown) that the £500 million savings that the Government hope to gain may be drawn over a period. The first thing that we want to know is, what period?

Secondly, what we should most like to know is whether the £500 million savings quoted by the Secretary of State include the savings from the proposal that claimants pay at least 20 per cent. of their rates. It has been estimated that taking 20 per cent. of rates from claimants would bring in some £250 million. If that is part of the £500 million, we accept that it is a substantial part of it, although we would argue that it is an unjust proposal. However, if it is not part of the £500 million, it means that we are talking about savings of some £750 million, an increase of 50 per cent. on the savings that the Government have admitted, so far, that they wish to make.

We are talking about enormous sums—more than the Government have already saved in the many cuts that they have made in housing benefit in the past couple of years. The savings through the 20 per cent. of rates proposal will be more than the Chancellor tried to cut from housing benefit in July 1983, just after a general election campaign in which he told us how terrific our economic performance was, and that roses and gaiety were around the corner. Sadly, only a month or so later, he had to introduce cuts in housing benefit. We are talking about even greater cuts than those.

These large savings do not result from the recommendations of the Government's review body, and this applies particularly to the proposal to take 20 per cent. "at least", to use the Government's phraseology, in rates. The review body said:

"100 per cent. help with housing costs for those on the lowest incomes is the only fair way of meeting their needs within the present vagaries of the housing market."

We wholeheartedly support that view.

We know that the Government intend to remove help with water rates while at the same time, with another hat on, they are forcing up the water rates. Is there any intention to offer any recompense to those claimants who will be asked to pay 20 per cent. of their rates, even at the level of the rough justice of an average figure, which will be disadvantageous to those in areas with high rates?

Apart from the proposals to take 20 per cent. of rates from claimants, we also oppose the severity of the proposed rate taper. Here, both the Government and the review team are guilty of peculiar logic. In the phrase much beloved of the Government, they say that the rate taper goes too far up the income scale. Their justification for that is that it goes further up the income scale than the rate taper. However, the only reason for that is the Government's cuts in April 1983, April 1984 and November 1984. They have used the cuts that they made to justify further cuts in the rate taper.

The proposal for such a combined sharp taper will hit most the least well off owner-occupiers who get help only with their rates, and who so often figure among those groups for whom the Government claim to have concern. Again, the Government and the review team part company. The review team proposed to sharpen the rates taper. Although we question its logic in doing so, it also proposed that some form of what one could call rent rebate —in other words, some other help—should be available to all owner-occupiers, so that the impact of the reduced rate rebate that it proposed would have been diminished. Characteristically, the Government have taken the proposal for cuts and left out the proposal for improvement. Once again, one of their hand-picked review teams has gone too far and been too generous for the Government's liking.

It seems that the Government may further restrict the entitlement of those on supplementary benefit for help with mortgages, although they must be aware that that is bound to lead to an increase in the number of evictions. I understand that the number of people in serious arrears, which was running at 8,400 in 1979, rose to 29,000 last year. That is under a Government who claim to be devoted to encouraging owner-occupation. Proposals such as those that the Government are making can only lead to these figures rising, and to increases in evictions.

Mr. Roland Boyes (Houghton and Washington): Is it not a fact that in 1984, according to building society figures, there were 11,000 repossessions? A number of those people will find themselves on the homeless lists, and a number will come under board and lodgings regulations. The Government had to admit this week that they had got those regulations wrong. Is there not a strong possibility that they have also got this proposal wrong?

Mrs. Beckett: My hon. Friend is correct, and it is an unfortunate feature of the Government's housing and social security policies that they continually create conditions of whose affects they then complain.

Another action proposed by the Government that will create substantial disadvantages is the proposal to remove from local authorities the discretion they have to give greater help to particular groups. As local authorities seem mostly to exercise, that discretion to the benefit of groups such as widows and war pensioners, about whom the Government claim to be concerned, this is a strange proposal for the Government to introduce. How many gainers and losers will there be from the proposals to remove that discretion from local authorities?

How many gainers and losers are there likely to be from the effects of removing the extra help available for those in high-rent areas? I seem to recall that last March, when we were discussing the changes that the Government were then making in the proposals for high rents, some 120,000 people were being affected. Presumably, those people are likely to be affected, all of them for the worse, by the Government's proposals and in some areas undoubtedly substantial sums could be involved for the individuals who will be affected.

All these proposals are particularly disgraceful because they follow the removal of the Government's general subsidy, which has forced up rents. We are horrified and appalled at the thought that the Government are likely to try to take as much as £500 million from housing benefit. Since 1979, they have already taken about £1,300 million from general subsidies for housing and councils' housing revenue accounts. This follows the pattern identified by my hon. Friend the Member for Houghton and Washington (Mr. Boyes).

When the Government began this process of cutting the general subsidy to housing accounts, they gave reasons that may sound remarkably familiar. They said that it was better to cut the general subsidy because then they would be able to target help on the poorest through housing benefit. Having cut the general subsidy, and increased rents so that more people were forced to draw housing benefit, they then forgot about targeting help on the poorest, and said that, as too many people were claiming housing benefit, that would be cut.

In these circumstances, it is no wonder that not only the Labour party but all who are on benefits regard the Government's talk about targeting and efficiency with considerable cynicism. They know that targeting and efficiency may be the buzz words for cuts this year, but next year and the year after the Government will have different buzz words, although they will be pursuing the same policy.

Mr. Roger Gale (Thanet, North): Does the hon. Lady concede that the purpose of social benefit is to help those in most need and that therefore targeting is worth while if the system is to be effective?

Mrs. Beckett: The hon. Gentleman has fallen prey to a delusion common to Conservative Members. The words he used, and the description he gave, have been given for every mean-minded poor law system since time began. The idea of the welfare state is not what the hon. Gentleman identifies.

Mr. Gale: The hon. Lady is ducking the question.

Mrs. Beckett: I am not ducking the question. I am not surprised that the hon. Gentleman does not understand, because the policies of his Government show every sign not only of a lack of understanding but of their wish to destroy the welfare state. The whole point of the welfare state is that it is for everybody—everybody pays as much as he can when he can, and everybody should have the right to draw when he has a need. That is what the welfare state is about, and it is because it is about everybody being able to draw to the extent that he needs when he has need that it is more expensive. The welfare state is not just for the poorest.

Surely the Government are not claiming that, under them, anybody who has need can draw benefit. Over 1 million people have lost entitlement to housing benefit since 1983. These people had need and were drawing benefit and they have lost the money only because the Government have made cuts so that they could give more

[Mrs. Beckett]

away in tax handouts to the wealthy. If the hon. Member for Thanet, North (Mr. Gale) does not understand that, he does not understand the welfare state.

Mr. Gale: Answer the question.

Mrs. Beckett: I have answered the question. The hon. Gentleman does not understand anything about the welfare state or the reasons why most people attach such value to it. Fortunately, it is a loss that will cost him and his party dear.

Over the past couple of years, the Government have taken 1 million people out of housing benefit entitlement. The numbers of claimants have grown only because of the failure of the Government's economic and housing policies — a failure that, characteristically, they blame on everybody but themselves. However, the penalty for that failure they exact from claimants. The Government's proposals are also likely to cause problems for local authorities.

The subsidies for housing benefit, now 100 per cent., though less in some cases, will be cut to 80 per cent. From what we can discover — the Government give no justification — this is an arbitrary figure. As I am sure the Minister is aware, local authorities believe that this will mean substantial cuts in the sums made available to them. Will local authorities lose money, because of the change in the subsidy offered to them? If so, what is the justification?

Local authorities will lose the 60 per cent. grant that they were given towards the cost of administering the scheme—yet another flagrant breach of an undertaking which the Government gave only a couple of years ago, when the scheme was introduced. This is another extraordinary example of how the Government are proceeding. In the same Green Paper, the Government have reduced the money local authorities receive in subsidies for administration and they have had the cheek to say that claimants have got to pay at least 20 per cent. of rates to encourage them to press authorities to reduce the costs that the Government have just increased by the proposed administrative changes. Not the least of these is the burden of collecting the 20 per cent. deduction from, I understand, some 2·5 million households. The Government then have the unmitigated gall to tell local authorities that they are reducing this 60 per cent. subsidy, not—perish the thought—just to save money, but to

"provide a greater incentive to local authorities to contain costs and improve efficiency".

The local authorities are less than amused by the gall of the Government. Local authorities never wanted the housing benefits scheme as it was introduced, and they have consistently told the Government that they have not been allowed enough time or enough funds to run the scheme properly. The permanent secretary to the Minister's Department admitted that to the House recently. The Government have now taken the subsidy away from the local authorities, they say to encourage local authorities to improve efficiency. This is similar to the nonsense that we heard about the National Health Service, and it is equally unwelcome.

The justification which is continually cited for cutting housing benefit is that benefit is paid too far up the income scale. May I remind the Minister again—we cannot get this on record too often — that, for those who pay average rents, all entitlement to benefit for a two-child family is lost at more than £40 below average national wages. Those who live in areas where rents are higher have had rents forced up, but they receive housing benefit above that level, perhaps even up to average wages. I assure the Minister that those people would be only too pleased if the Government were to restore the housing subsidies cut so that their rents could be cut and hence there was no need for them to claim housing benefit, only to be abused by the Government for doing so.

We condemn the effects of the proposals in the Green Paper. We find it outrageous that the proposals are put before us in the Green Paper while we are in the middle of a consultation period — a consultation period of a whole four months. That was not excessive, one might have thought, for—what was it?—the most fundamental review since Beverage. But four months is too long for this Government to wait for their policies to come to the House to take effect.

The changes which the Government have proposed in the uprating—it may be an uprating in some benefits but the term is not justified for housing benefit—make exactly the same kind of reductions in rate support that are proposed in the Green Paper, or at least in some of the proposals. It is proposed in the Green Paper to reduce the rates taper to 21 per cent. on net income. However, in the November upratings, when the Government make the rate taper 13 per cent. on gross income, they will carry out the policy which they put forward for consultation in the Green Paper. That is one of the most controversial changes that they have put forward in terms of housing benefit. It is the change that bears hardest on owner-occupiers and it is likely to bear hardest on pensioner owner-occupiers. It was introduced in June, two weeks after the Green Paper, without any opportunity for consultation or reply.

I hope that the Minister will be able to confirm my figures. About 2 million households will lose money from the housing benefit changes and about 500,000 again will lose all entitlement to housing benefit. There is no need for those changes as part of the uprating because, in the scheme that preceded housing benefit, changes and tapers were not made customarily. In this case, they are merely yet another aspect of the Government's desire to make cuts.

I believe that a pensioner couple who are paying £5 in rates a week can now get rate rebate on an income of up to £95 a week but that, from November, under the uprating of which the Secretary of State spoke so warmly today, they will cease to qualify for housing benefit on a gross income of £85 a week—£10 a week less. Many of those who are affected by these latest proposals are the same people who have lost rebates in every cut that the Government have made in the few months since the scheme was introduced, but this cut will be the steepest so far.

I notice—I ought to say this to save the Minister the trouble—that there are some small improvements in the housing benefit scheme. The Minister of State claimed credit for the increase in the dependent child addition, in response to a question asked by my hon. Friend the Member for Dunfermline, East (Mr. Brown). We occasionally give the Government the odd cheer, or perhaps even two cheers, but I do not think that the Government deserve even half a cheer for that. We are singularly bored with giving the Government any cheers for the increase in the child addition, as this is the third

time that it has been before the House. They give the addition, postpone it, take it away altogether and then decide to give it again. Every time they say that they will increase the child addition, they expect a fresh round of applause. Not tonight, I am afraid. That behaviour is typical of the Government's approach to housing benefit, which befits the short title of the party to which they belong—it is a con.

We all know that the Government have made massive cuts in the sums available for housing support, whether through general housing subsidy or, once they managed to cut that, through housing benefit, which many families were forced to take in its place. They know, as do we, that pensioners and less well-off families are bearing the burden of cuts in housing support, but the Government merely increase the burden still more, complain about those who are still able to claim benefits and expect to be congratulated on their compassion.

The housing benefit scheme shows up the Government's incompetence and callousness. The cuts that they are proposing in the November uprating and in the Green Paper will, I am afraid, inflict further damage on claimants. The only advantage is that the cuts may inflict so much damage that they will help us to remove the Government.

7.37 pm

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. Ray Whitney): I beg to move, to leave out from "House" to the end of the Question, and to add instead thereof,

"welcomes the Government's objective of securing a structure of income-related benefit which will ensure greater equality of help with housing costs for people at the same level of income, whether in or out of work, will remove the need for housing benefit supplement and will be simpler for staff to administer and for claimants to understand.".

After the hysteria of the technique of the hon. Member for Oldham, West (Mr. Meacher), it is something of a relief to have the rather more controlled approach of the hon. Member for Derby, South (Mrs. Beckett). Although the difference is welcome, the basic song is the same. We have the same cries against change—any sort. Indeed, at one point, the hon. Lady seemed to be against the change from the original scheme which failed in the 1970s — the dual scheme of rates and rents and the complications between the Department of Health and Social Security and local authorities. It was a system that the whole of society interested in these matters, including the Supplementary Benefits Commission, thought desperately in need of change. The hon. Lady and her colleagues seem prone to harking back to what they regard as halcyon days.

We also heard the usual rigmarole about cuts in the social security programme. My right hon. Friend reminded the House that, following his uprating that was announced 10 days ago, the social security programme will now run at £42 billion a year. There are significant increases in all major benefits, taking into account the large increase in the number of beneficiaries, who include the unemployed and the 800,000 retirement pensioners. In spite of that, the hon. Lady talks about cuts and the record returns to the familiar topic of destroying the welfare state.

Mr. Gordon Brown (Dunfermline, East): Will the Minister confirm that last week's uprating statement and the parliamentary answers that I have received mean that 2 million people will lose cash as a result of the housing benefit changes, and that 460,000 people will be taken off housing benefit altogether for savings of slightly more than £50 million? Will he tell the House how many people will lose cash, and how many will lose housing benefit to enable the Government to achieve their planned savings of £500 million?

Mr. Whitney: The hon. Gentleman happily makes the point that I am coming to. Opposition Members seem to think that the rates and coverage of every single benefit must be frozen in aspic, except that benefit must always increase. They pay no attention to the real rate of increase in the amount of public money that is devoted to the social security fund.

The hon. Lady follows the leading Labour spokesman on social security in offering no Labour policy, and in simply producing a list of negatives, all of which are ill-founded. We have had a classic demonstration from the hon. Members for Dunfermline, East (Mr. Brown) and for Derby, South that whatever the level, and whether or not the benefit is rising, they would continue to pay benefit money and be irresponsible about the effect of that on the Exchequer.

Mr. Michael Stern (Bristol, North-West): Does my hon. Friend agree that he may be being slightly unfair to the Opposition in saying that they have no policy in this area because their policy in at least part of this area was announced on Monday when they told us that they intended to abolish our board and lodging measure altogether by bringing it within rent control?

Mr. Whitney: My hon. Friend is following the Opposition's announcements closely, and one must keep at them to understand what their policy is. Earlier this evening we explored the fate of the policies announced by the hon. Member for Oldham, West (Mr. Meacher), which were quickly jettisoned by his colleagues.

Clearly, the Government would never lightly reduce any of the benefits that we pay. We clearly understand that we are dealing with the lowest income groups and the poorest sections of society and, as will be observed and as has been demonstrated in the uprating statement which my right hon. Friend announced 10 days ago, all those changes are carefully cushioned. In our budget we have protected all the rates, and housing benefit has doubled in real terms while we have been in office. It now covers not 5·5 million, but 7·5 million people, yet the Opposition continually talk about cuts.

Even after the change in the rates taper to 13 per cent., more than 7 million people will continue to receive housing benefit—more than one household in three. If we take the Opposition at their word, we understand that they will be completely content to allow that sort of spending to continue to increase.

The figures that we were offered recently suggested that this year, in addition to 7·5 million people on housing benefit, there would be a further 300,000. That sort of expansion, both in the amount of expenditure and in the increase in the case load, would be unjustified. We have only to make comparisons with other overseas societies which are wealthier than we are, to see that no system compares in any way with the scope, range and expense of our housing benefit system.

Our aim is to give help where it is needed. Unlike the hon. Lady, we are not confused about precisely what that

[Mr. Whitney]

means. We understand what targeting means and give help where the need is found, but the hon. Lady clearly found that question uncomfortable and carefully ducked it.

Mr. Frank Field (Birkenhead): I am confused by the case that the hon. Gentleman is presenting to the House. Am I right in thinking that the Government claim credit for having increased the sum paid in housing benefit until now, but that at this stage they are cutting that sum? That contrasts vividly with their policy on mortgage interest tax relief, which continues to increase by leaps and bounds.

Mr. Whitney: In a budget of the enormous size of the social security budget, judgments must be made when that budget is increasing at the rate that it is in this particular sector. It makes sense to make adjustments from time to time. Retargeting is the only responsible policy, which is what we would expect from the Government.

Several Hon. Members *rose*——

Mr. Whitney: I shall not give way. The hon. Member for Birkenhead asked me two points, and I should like now to deal with mortgage interest tax relief. I would be interested to know the attitude of the Labour party on that matter. Clearly we make no apology for recognising the importance of home ownership. Certainly, it seems that many Opposition Front Bench Members have come to understand that the British people value that policy. Opposition spokesmen are now seeking late in the day to follow us in our policy of home ownership for council tenants. When the hon. Member for Oldham, West suggested the abolition of mortgage interest tax relief, it took only hours before that policy was squashed.

We recognise that a balance must be struck. The aim of our social security policy is to produce help where it is needed. The housing benefit system, as it has developed, does not achieve that aim effectively. It is cumbersome, inefficient——

Mr. Field: It is the Conservative party's scheme.

Mr. Whitney: Yes, it is our scheme, and we are improving it. The existing scheme was an improvement on what went before. It appears that the hon. Member for Derby, South hankers after what went before.

Mr. D. N. Campbell-Savours (Workington): When the Minister says that the Government are improving the scheme, does he mean that it is acceptable to reduce the numbers of claimants of housing benefit by 400,000 in 1983, 500,000 in 1984, and a further 500,000 in 1985? Is that what he means by improving the system?

Mr. Whitby: We mean precisely what I have said. If it is necessary, I shall repeat what we mean for the third time. We must ensure that the large sums that we are spending in the social security programme as a whole, and certainly on housing benefit, are carefully directed. Even with the change announced 10 days ago by my right hon. Friend, we are talking of a benefit which goes to more than one household in three—to more than 7 million people. If the hon. Gentleman wishes to spread the jam more thinly and higher up the income scale, I should be interested to see his figures, as, I am sure, would the voters.

Mr. Gordon Brown *rose*——

Mr. Whitney: I have already given way to the hon. Gentleman, and I must make progress.

Therefore, we seek to make improvements in the scheme. We recognise that while it has had successes, it needs improvement, as the examination of the housing benefit review demonstrated. The system is not at all well understood and it is definitely difficult to administer. Therefore, we must seek to reduce the case load and to control expenditure. The November uprating was a step along that road. The hon. Member for Derby, South claimed that this pre-empted the Green Paper proposals. It did nothing of the sort. It was a reform and an improvement which was needed. It would be strange if we took steps which were not consistent with the Green Paper proposals.

The change will produce a saving of about £57 million. However, the majority of people will not be affected. Those people on supplementary benefit will not be affected. By November, a pensioner couple with a total income of perhaps £13 above the retirement pension—a total of £74—would lose only 10p a week, taking into account the significant increase in the retirement pension of £4.

The hon. Lady was kind enough, with her customary charity, to pay due credit, albeit a little backhandedly, to the fact that the change in the child's needs allowance in housing benefit is a real increase of 95p and represents a step forward. It is another demonstration of our interest in protecting low-income families with children. It is estimated that about half a million poor families will benefit from that change. We believe that the changes that we have already made in the housing benefit system announced in the uprating statement are sensitive, prudent and fair.

We have never denied that housing benefit expenditure must be reduced and controlled. I cannot go into more detail on the target, because the consultation process is continuing, but it is about £500 million. A proportion of that will be made up by the minimum contribution to rates, which is one of the points that the hon. Lady raised. I must point out that that £500 million represents one sixth of the increase in the cost of housing benefit since 1979.

We have been down the familiar path of figures. The hon. Lady made another sortie or two to test whether she could catch any fish at the end of her line—if I may mix my metaphors. I must repeat that it is essential to have an agreement on the structure. Everyone, even the Opposition, understands that there is a need to change the structure of the housing benefit system. It makes sense to have a national debate on the subject.

Mr. Gordon Brown: The Minister suggested that the debate should be about philosophy, not about facts and figures. He also suggested that the aim of housing benefit reform is to target benefit to those most in need. How does targeting help those most in need if an unemployed person on £28 a week, who may be deprived of single benefit, must now pay £2 or £2·50 a week for his rates bill? How is it targeting on those in need to ask a pensioner on £35·80 a week, who may also lose heating additions and other benefits, to pay £2 or even £3 towards a rates bill? How is the principle of targeting to be achieved when the Minister proposes that, no matter how poor a person is, he must pay 20 per cent. of his rates?

Mr. Whitney: That is the last time that I shall give way to the hon. Gentleman. The document from which he was reading is the one that was leaked to him before the final

version was drafted, and he clings desperately to that and to his illusions. As always, he tries to insert figures where there are none. The hon. Gentleman will understand later how misguided he is.

It must make sense to conduct a sensible debate about the structure of a phenomenon as complicated as the housing benefit scheme and its relations with other benefits without, at this stage, getting to the figures. We must discuss the merits of basing housing benefit assessments on the new income support rates. Of course, the rates will not be announced until 1987. Therefore, we must get the structure right first.

Mr. Jim Craigen (Glasgow, Maryhill): I have read the final version of the report. At present, the rates and housing benefit relief of many council tenants in Scotland is dealt with by the same authority. Did the Government calculate how much it would cost to set up a separate department dealing exclusively with rates relief?

Mr. Whitney: One benefit of the new structure is its simplicity. We shall soon begin to discuss with the local authorities the administration of the new structure, and I am sure that the result will be a scheme which is easier to operate not only for claimants but for local authorities.

Mr. Craigen *rose*——

Mr. Whitney: I will not give way again, because other hon. Members wish to speak in this short debate.

Other elements in our proposals are, of course, subject to developments in other areas. For example, as the hon. Member for Dunfermline, East (Mr. Brown) suggested, we have proposed a 20 per cent. minimum contribution to rates. However, that will depend upon the outcome of the review of local government finance being undertaken by my right hon. Friend the Secretary of State for the Environment. We must re-establish the link between the local residents and local services. We should take account of the fact that 3 million households pay no rates and that our proposed changes would insulate them further. We are convinced that it is right to make local authorities more accountable to their ratepayers and to strengthen the link between ratepayers and services.

The Government recognise the anxiety about the impact of the changes, but we shall certainly consider them with great sensitivity. We have already shown great sensitivity in all the changes that we have made since 1979. However, we are convinced that we need a scheme that is simpler, easier to explain and more equitable. For example, the single taper will be greatly welcomed, and the system of using net incomes and the parallel with the income support arrangements will be of great benefit. They will tackle the poverty and unemployment traps and produce the important effect that the support available will be the same for those in work as it is for those out of work.

The Government's housing record is good. Our proposals for housing benefit reform will be of great advantage to the country and to the economy and to those at the lower end of the incomes scale.

I invite the House to accept our amendment.

7.59 pm

Mr. John Cartwright (Woolwich): The one thing that the Minister said which should unite both sides of the House is that the complexity and incomprehensibility of the housing benefit scheme desperately needs simplification. We have a system which is impossible for ordinary people to understand, which makes it impossible for anyone to calculate his entitlement unless he has a computer. It is a scheme in which papers are passed backwards and forwards between DHSS offices and local authority housing departments, which between them seem able to create a bureaucratic jungle which is impossible for the average person to penetrate. There are delays in calculating benefit and in notifying alterations, which means that tenants suddenly discover themselves substantially in arrears.

I ask the Minister to consider the reaction of an old person, for example, who has always taken pride in the fact that he or she has always had a clear rent account —never owed a penny piece—and who is suddenly faced with substantial rent arrears as a result of the operation of a system which he or she does not understand.

There are many such cases. I shall quote one that came to my notice yesterday. A 76-year-old widow in my constituency suddenly received a letter from the local authority saying that her housing benefit should have been withdrawn on 3 December 1984 and that as a result there had been an overpayment of £494·98. She was also told that henceforward she would be responsible for paying her own rent in full. That was a computerised letter, sent by the London borough of Greenwich. Someone in the department clearly felt unhappy about it, however, because there was a handwritten note which said:

"Do not worry about this letter. Please complete an application for standard housing benefit."

She did that, and as a result she now receives standard housing benefit, the arrears have been wiped off and she is £17 in hand.

This lady does not begin to understand how that has been worked out. She has a page of calculations on the back of the second notification letter which runs to 26 lines of figures explaining her entitlement. She has a daughter who could help her, but we all know of people who have no one to help them and who cannot begin to understand the complexities of such a system. It is extremely frightening for old people suddenly to receive such letters out of the blue. I am sure that the Minister recognises the difficulty.

A simplification of the system is essential. What worries me and, I think, other Opposition Members is that the Government seem to be mixing simplification with the cutting of benefits. That is something that we find much less attractive. For example, a case can be made for the introduction of the single taper, which withdraws housing benefit, combining the rent and the rate elements in one assessment.

The review team which recommended that also sounded a warning about it. It pointed out that the practical effect of such an approach would be to the disadvantage of owner-occupiers, since home owners are eligible for help only with their rates. They would, as a result, be counted as having low housing costs under a combined assessment and their housing assistance would therefore be withdrawn more quickly than now, and more owner-occupiers would cease to receive any help.

The review team made a clear recommendation. It said:

"In our view, in a combined assessment eligible housing costs should be extended to include some element of mortgage interest, to balance out the eligible costs of owner-occupiers and tenants."

In other words, the review team was calling for an approach to owner-occupiers similar to that of tenants.

[Mr. John Cartwright]

It is a matter of regret that in the Green Paper the Government seem to have rejected that approach. As a result, what they suggest in the Green Paper will have a harsh impact on home owners who receive assistance only towards their rates. Their benefit will be withdrawn, as the review team warned, at a much steeper rate under a combined taper than it would have been under the separate rate taper.

As has already been suggested, the main losers under such an approach are likely to be owner-occupiers whose incomes are just above supplementary benefit level. Most of them are likely to be pensioners with small occupational pensions, people who own their own homes, whose only assistance from the state is help with their rates. They are the thrifty, prudent people who made provision for their retirement — the type of people about whom the Government say they are worried. However, it seems to be those thrifty, prudent people who will be in the firing line as a result of the proposed changes. That is unnecessary. The Government could have accepted the review team's recommendations and could have treated mortgage interest on the same basis as rent.

If the Government had combined that with a sensible reform of rates and the introduction of a practical local income tax it would have been a much fairer way to treat people than they are now suggesting.

In the review, we see a Government determined to dress up a cost-cutting exercise as a radical reform. The Government are, as we have heard, seeking housing benefit cuts to a target figure of £500 million. The November uprating seems to be the first phase in those cuts. As other hon. Members have said, with the November cuts we are talking about 2 million households suffering a cut in housing benefit and about 500,000 households losing benefit altogether. That follows two years during which a similar policy has been operated. In April 1983, for example, about 2·25 million households suffered losses in housing benefit and 400,000 households lost benefit altogether. That was a package which saved the Government about £50 million. In April 1984, about 2 million households again suffered losses in their benefit and 500,000 households lost benefit altogether. That package saved the Government £215 million.

What that means to people struggling to balance their weekly budget is underlined by something the Government's Social Security Advisory Committee said in its comments on the 1984 housing benefit cuts. The report was produced in February 1984. The SSAC said:

"It is clear that, for many people, the loss of income will be very severe . . . We join with all those who gave evidence to us in deploring the reduction, which we believe will have an unduly harsh effect on many individuals."

The committee concluded:

"It seems extraordinary that so much money should now be taken out of housing benefit within so short a time."

That might have been extraordinary, but the Government's current proposals show that it is a policy that is continuing. However, the Government say—the Minister implied much the same tonight—that there are no cuts because they have increased the amount of money available for housing benefit. I notice that the Secretary of State made just that point on 3 June, when he said:

"housing benefit expenditure has increased from £1·2 billion in 1979 to £4·2 billion in 1985-86."—[*Official Report*, 3 June 1985; Vol. 80, c. 45.]

The Policy Studies Institute has examined those claims and has clearly proved that the figures do not reveal the whole story. It points out that the apparent rise in the amount paid in housing benefit is what it calls "entirely artificial". It said:

"of the £3·1 billion increase since 1981-82 (at 1984-85 prices), £2·7 billion is simply the book-keeping transfer of supplementary benefit cases; the other £0·4 billion provided a modicum of protection to the poor against a £1·7 billion fall in council housing subsidies."

What the Government claim is an increase in overall support for housing costs is clearly a cut. Those Opposition Members who point to cuts are plainly proved right by such an analysis.

I am pleased that the Government now realise that with the present housing benefit scheme they have created an insensitive, bureaucratic monster. Some of the reforms which the Government suggest are sensible, but I object to the fact that they are trying to cut corners. They are trying to slip through cuts in the guise of reform. Those cuts will have a severe impact on some of the most deserving households. That is why I and my colleagues will vote for the motion tonight.

8.10 pm

Mr. Michael Stern (Bristol, North-West): The review that we are discussing today sets four targets in relation to housing benefits — simplification, equalisation, accountability and administrative savings. I am surprised and horrified at the extent to which all those objectives—which should be entirely laudable and welcomed in all parts of the House—have received such scant praise and acknowledgement from the Opposition.

To fill the gap left by the Opposition I intend to say what the Government seek to achieve in connection with housing benefits. The most important aspect of the Green Paper is simplification. A scheme to abolish the complexities and low take-up of housing benefit supplements and replace it as part of a new income support scheme on a more broadly drawn basis can only be administratively simpler, more easily understood and undoubtedly more popular.

The concept of replacing six different tapers, as people move up and down the housing benefit scale, with one taper, can only be welcomed as an exercise in making the scheme more intelligible.

One major advantage in the proposed simplification is that it will remove many complications caused by the present system under which the needs allowance is based on gross income and supplementary benefit on net income. Cuts have been mentioned, but many of the proposed changes will create benefits. For instance, a constituent of mine, a frequent visitor to my surgery, did not believe that it was worth waiting for the Green Paper but now that he has seen it and I have explained it to him he has gone away rather happier.

Mr. Frank Field: I cannot say that about my constituents.

Mr. Stern: My constituent had over many years set aside as much as he could out of a relatively low-paid job to provide a pension for himself. He believed that that pension would be a modest help in his retirement. He retired in the early 1970s thinking that that relatively small pension would help to support him through his retirement. Since then he has lived through the inflation of the Labour

Government and seen his pension dwindle almost to nothing in real terms. Nevertheless, he was very proud of the principle that he had saved to buy himself an additional pension, no matter how small. Under the existing housing benefit scheme, because with his state pension and his works pension he was earning just enough to pay tax, he found himself suffering a reduction of 100 per cent. in the pension of which he was so proud through a combination of tax and the taper.

As a result of the scheme now proposed, which will be based on net rather than gross income, I have been able to tell my constituent that all his efforts were not totally worthless and that although he will not keep much of his pension as a result of the changes he will at least keep some of it.

Mr. Field: I would not want the hon. Gentleman to mislead his constituent, who may be listening to this debate. How can the hon. Gentleman give that assurance, when we do not have the figures necessary to know the nature of the scheme?

Mr. Stern: My constituent has read about the 70 per cent. taper and drawn conclusions from that. I accept that there is no absolute assurance but at least he now has some idea of what is to happen.

The need for simplification of housing benefit is clear. People on supplementary benefit are treated more favourably than people with low incomes and almost identical resources. That is clearly unfair and needs correction. Help with rates goes further up the income scale than help with rent. That, too, is illogical and needs simplification. Moreover, no one who handles constituency cases can seriously suggest that the complexities of the present system are capable of explanation to anyone who has not made a detailed study of the subject.

Mr. Field: The hon. Gentleman presents all this as a major advance in understanding for our constituents and that may be so, although I suspect that many of my constituents will still not have the energy to follow these matters in detail, but is not another advantage of simplification the possibility that the staff running the scheme will understand it when previously they did not?

Mr. Stern: Yes, I had intended to refer to that.

With regard to equalisation, it is surely right that people with similar needs and circumstances should have similar benefits whether they are in or out of work. At present, certificated cases — those on supplementary benefit — have 100 per cent. of their rent paid. Standard cases — those in work or with some kind of income—receive 60 per cent. benefit which is tapered up or down on one of six tapers and may also attract housing benefit supplement. Equalisation was clearly needed and that is what has been offered.

The third advantage is accountability. There are many different views about the desirability of the domestic rating system, but most people agree that one of its major faults is that far too few people pay rates. This makes swingeing rate increases such as the 55 per cent. increase promised for next year by Avon county council even more painful to people at all points on the income scale. The Government's proposal to increase the number of people who pay rates will inevitably be to the advantage of the rating system and of accountability by local government and may even make spendthrift councils such as Avon pay more attention to the views of the people whom they claim to represent, because they will be attacking far more of their constituents when they increase the rates. A proposal which means that an additional 7·5 million households —one household in three—will have to take note of rate increases is clearly an advantage in terms of accountability.

Mrs. Beckett: How does the hon. Gentleman square the comments in the review about the need for 100 per cent. of housing costs to be returned to people in the lowest income brackets with the advantages that he claims will accrue to them from paying rates? How does he square the enthusiasm of some Conservatives for targeting help on the poorest people with his view that it will be an advantage to those people to have to pay sums that they do not now pay?

Mr. Stern: I see many advantages for the whole of society, and certainly for the poorest members of society if, as a result of the increased accountability that the new scheme will bring, more and more people realise the extent to which their environment is being impoverished by spendthrift councils. That advantage will extend to all who inhabit areas in which spending comes first and value a long way behind.

Mr. Gordon Brown: Will the hon. Gentleman give way?

Mr. Stern: I have given way several times and many other Members wish to speak. I hope that the hon. Gentleman will forgive me if I do not give way again.

I turn to the administrative savings that will result from the Green Paper's proposals. The existing arrangements have been widely criticised by the Public Accounts Committee. Any system that is unintelligible but which involves 8,500 local staff costing £117 million is not immune from criticism. The Green Paper's proposals will enable local authorities to save money which can then be used either for other forms of spending or for rate reductions. On those four grounds, I commend the Green Paper's proposals.

8.20 pm

Mr. Peter Pike (Burnley): The speeches in the debate on child benefit and the speech of the Under-Secretary of State for Health and Social Security in this debate have convinced me that the Government intend to axe the welfare state, not to reform it. The purpose of the exercise is to make major public expenditure cuts. The Government are wrong not to give the figures.

The Under-Secretary of State said that the annual cost of the social security budget is £42 billion. I believe that the Government intend considerably to reduce that figure. They are not prepared, however, to say what their target is because they wish to avoid a major outcry at this stage. The public will not be conned by the Government's actions. The figures will be made known when the legislation is introduced. Unless they change their mind before that stage is reached, people will then know exactly what the Government intend to do. The reviews will be the greatest single reason for the Government's defeat at the next General Election.

The only figure we have been given is a cut of £500 million in housing benefit. This will result in 7·2 million households losing benefit. It means that one third of households will lose benefit. Four million of the 7·2

[Mr. Peter Pike]

million householders are pensioners. And 1·8 million householders will probably lose all of their housing benefit, of whom 1·2 million are pensioners.

Housing benefit is to be made available to those, both in and out of work, who receive the level of income set for income support. That may seem to be fair and reasonable. However, such a policy subsidises low wages and is consistent with the Government's policy of abolishing wages councils. The Government believe that the solution to unemployment is to reduce wages. I have yet to see reduced pay resulting in the safeguarding of jobs and the avoidance of redundancies.

Mr. Whitney: Is the hon. Gentleman opposing the family credit scheme?

Mr. Pike: No, I am not opposing it, but I do not believe that it is the right solution. Nevertheless, if it is the only solution on offer, we have to accept it. We ought to ensure that every worker is given a reasonable wage with which to support his wife and family. Family income supplement is wrong. Its replacement is also wrong. Supplements of that kind mean that employers are subsidised. As income increases over the base that is to be set, people will be hit very hard by the sharp reduction in income supplement. Although the Government have not said what the taper will be under the new scheme, if the tapers that are used in the example in the Green Paper are put into effect the poverty trap will be made even worse. For those paying tax and national insurance and receiving a rent and rate rebate, the marginal rate of tax has already increased significantly since housing benefit replaced the previous rebate-allowance scheme. The marginal rate of tax of working households receiving housing benefit in March 1983 was 61·75 per cent.; in April 1983, 67 per cent.; in April 1984, 74 per cent.; and in November 1984, 77 per cent. The rate of withdrawal of benefit foreshadowed in the Green Paper, of 70p. of net income, would mean a marginal tax rate for working households receiving housing benefit of 82 per cent. at current levels of tax and national insurance rates. This will make it even more difficult for low wage earners to improve their standard of living by working overtime and earning extra money.

Furthermore, capital will be taken into account. Those with capital of over £6,000 will be barred from housing benefit. Those with capital of over £3,000 will lose benefit of 40p for every £100 of capital between £3,000 and £6,000. These further blows have to be considered on top of the other attacks on housing by the Government. The insufficient HIP allocations mean that housing conditions will be made worse. It will not be possible either to build or to improve houses in both the public and the private sectors.

Since this Government were elected, the support available to the housing revenue account has been considerably reduced. The last figure fixed in 1979 by the outgoing Labour Government in my borough was £1·6 million for 8,000 houses. For each of the last four years it has been zero, zero, zero and zero. It does not take a mathematician to work out what that means for people's rents. The Government forced up rents. Although they say that they want people to have a choice, they have eliminated for many people the choice of living in rented council accommodation.

Over 15,000 households in Burnley receive some form of housing benefit. Nearly three quarters of council house tenants receive some form of housing benefit. An additional burden will be placed upon local government because of the central Government reduction of subsidy from 90 to 80 per cent. The Government do not intend to increase the grants paid to local councils. It would be a nonsense for the Government to transfer grants from one he[illegible] to another. This means that the additional 10 per cent. burden to meet housing benefit will be passed on to council tenants in the form of rent and to ratepayers as a whole. A further burden will be thrown on local authorities. Rate capping will also throw an additional heavy burden on local government. Local government will have to bear an additional burden of 10 per cent.

It is wrong that mortgage interest payments should no longer be eligible for consideration in the assessment of housing costs. The Government claim to be the friend of owner-occupiers, yet they intend to hit those whom they claim to be their greatest allies. It is a bad policy.

I do not accept the proposal that everybody should bear 20 per cent. of the rate burden. The inference is that unless householders pay something towards the rates they should have no say in local Government elections. The Government infer that because people may pay no rates they vote irresponsibly. What nonsense. The reverse suggestion might be that if they do not pay rates they should lose their local election vote, and if people do not pay taxes they should lose their parliamentary vote. Their motto at the next election could well be, "No representation without taxation."

The independent review team recommended 100 per cent. help with housing costs for those on the lowest incomes as

"the only fair way of meeting their needs within the present vagaries of the housing market".

While the Government have accepted that argument for rent, they have not done so for rates. The Green Paper states:

"The Government are firmly of the view that should domestic rates continue to be a significant element of local authority revenue then all households should make a contribution towards them."

I have already said that I cannot accept the logic of that argument.

The Government have suggested that claimants should meet at least 20 per cent. of their rates, although this could be revised. One assumes that, under a Conservative Government, a revision would be an increase rather than a decrease. This is a foot in the door, and it will put a further burden on the people. The hon. Member for Woolwich (Mr. Cartwright) has referred to the kind of people who will be hit.

The consequences for claimants on income support of having to meet 20 per cent. of their rates could be considerable. Disturbingly, there is no indication in the Green Paper as to whether the loss to claimants of 20 per cent. of their rates benefit will be compensated for by an equivalent increase in the income support scales. At best this could be done only on a rough justice average basis which would involve an increase of around £1 a week to the income support scheme, equivalent to 20 per cent. of the average rate bill. Again, it would be absolute nonsense to assume that the Government will consider this, as that would merely transfer the figure from one heading to

another. In my opinion, this exercise is designed to save money. Unless the Government say that they intend to do this, one assumes that they will not do so.

The consequence would inevitably be to generate increased debt problems. The absence of any pledge even to make this average compensating adjustment is particularly worrying, and I do not believe that the Government will be prepared to say that they will do that, given that their objective is to save money rather than to simplify the system.

It is clearly inappropriate and unrealistic to expect people on income support to find sufficient money to meet 20 per cent. of their rates bills without extra assistance. The Minister failed to answer the forceful and pertinent points raised by my hon. Friend the Member for Dunfermline, East (Mr. Brown), and I hope that he will answer them when he replies to the debate.

No figures are given in the Green Paper of the saving that would be made by the DHSS if the 20 per cent. were not compensated for, but it seems likely that it could be of the order of £250 million.

Making income support recipients pay at least 20 per cent. of their rates would turn on its head one of the key arguments used by the DHSS to persuade local authorities to agree to the introduction of the housing benefit scheme in 1982-83—that by rebating claimants' rent and rates at source, local authorities would greatly reduce the rent and rate collection tasks as well as the arrears problem. That problem will now be reintroduced in respect of 20 per cent. of the rates for every ratepayer. Approximately 2·5 million households that now have their rates fully rebated at source will, under this proposal, have to resume payments. The administrative costs for authorities and the potential for increased arrears should not be underestimated.

The attack on housing contained in this part of the reviews shows that this is not a caring or compassionate Government. They intend to make the poorest and most deprived areas of the country pay the penalty. They will give tax hand-outs to the rich and wealthy at the expense of the poor and the poorer regions.

8.34 pm

Mr. Martin M. Brandon-Bravo (Nottingham, South): There are three key elements in the Opposition's motion. First, as critics of the principle of housing benefit, they cite the administrative problems, which undoubtedly are still in the system, as a condemnation of the principle of housing benefit. I take this opportunity to pay tribute to the city officers of Nottingham, who in that first year dealt with 55,000 certificated and standard cases. Secondly, they claim that pensioners and poor families are deprived of help. That may be a subjective opinion, but it is certainly not truthful. Thirdly, the motion pours scorn on the social security review and, in my view, assumes that such a review must of necessity bring greater poverty.

Those three elements illustrate beyond doubt the Opposition's unwillingness to face facts, as well as the very synthetic nature of their concern.

On the first point, there has been no mention of the justice of bringing in a new scheme to replace the tangle of the old one prior to housing benefit. No mention has been made of the fact that, in order to be as even-handed as possible in an undoubtedly major reorganisation, housing benefit supplement — the real complicating factor — was provided. There is no recognition of the fact that had the Government gone for total simplicity and ignored losers there might not have been any of the administrative chaos to which the motion refers. Perhaps the Opposition wish the Government to put simplicity before fairness. If so, it is a very strange brand of new Socialism.

I wish to touch on one of the least mentioned reasons for the original change, which also added to the administrative difficulties. Sadly, it is still in the system. I refer to what in euphemistic jargon is called financial flexibility. That actually meant that one could do what one liked with the money that one was given to pay the rent — booze or make whoopee if one wished — and that other tenants would, through higher rents, pay the bad debts that had to be written off by local authorities.

Expenditure on housing support, which has risen from £1·4 billion in 1979-80 to £4·2 billion in 1984-85—and a budget of £4·5 billion next year—cannot remotely be described as depriving the pensioner or the poor. No one could describe that gradation as a cut. I understand the impact of unemployment on those figures, and there is no comfort or pleasure in those human statistics, but to accuse the Government of not meeting the social cost of this problem on behalf of the community at large is the ultimate humbug.

While we are talking telephone numbers, my understanding — I am sure that my hon. Friend the Minister will correct me if I am wrong — is that spending under the review is likely to rise from £40 billion to £42 billion. When I went to school——

Mr. Gordon Brown: Does the hon. Gentleman not accept, as I think the Minister will confirm, that the object of the housing benefit proposal is to save £500 million? On top of that, money is to be saved from the child benefit budget, and almost certainly from the supplementary benefit budget. There are savings as a result of the review. The suggestion made a year ago that this was a nil-cost review has been totally undermined by the various announcements made by the Government. Why did the housing benefit review recommend no change or cuts in housing benefit? Why did it not recommend that the poor pay 20 per cent. of their rates entitlement? Why have these proposals been totally undermined by the decisions of the Cabinet and Ministers?

Mr. Brandon-Bravo: The hon. Gentleman abuses the courtesies of this House, because on two or three occasions he has sought to intervene in every speech. All that we have had is a catalogue of the minuses. We are saying in the broad approach to this matter, yes, there have to be losers and there have to be minuses. I have said that in the totality of spending we have gone from £40 million to £42 million, and I am sure that I shall be corrected if I am wrong. The hon. Member for Dunfermline, East (Mr. Brown) is shaking his head. When I went to school I thought that that was an increase, but, standards being what they are these days, I suppose that that now has to be pronounced a cut. In Socialist jargon, any spending that is less than what Labour promises—with the honourable exception of what the hon. Member for Birkenhead (Mr. Field) said this evening—becomes a cut.

The sad part of all this is that so many people are beginning to swallow that humbug. First, there is the opposition to the review in general. After 40 years, what reasonable person would not say, "And about time too."?

[Mr. Brandon-Bravo]

When there is such a tangle of interrelated allowances, benefits, discards and adjustments, it is insulting the intelligence to say that it could all be straightened out with nobody being the loser. Indeed, natural justice demands that where benefit is going where it should not go, the recipients should lose. Midas himself would not have the resources so to increase the level of all benefits—this applies as much to housing benefit as to any other sphere—that no one tends to end up with less than before. But even if that were done, I am certain that Opposition Members would leap to their feet and claim that, because some people had more than others that, too, would be wrong. Nothing, but nothing, would satisfy the Opposition.

Losers might indeed arise, if, for example, we consider student support. Few people outside the House realise that, in addition to grant and or parental support, housing benefit may be paid. Losers might prefer it if we try to simplify the speed or frequency with which benefits change with changed personal circumstances. Losers would probably arise simply in the consideration of minimum payments.

There is one group of losers whom I should not be sorry to see lose. They were highlighted in the report, and I might refer to them as the free-loading up-marketeers. So long as some recipents — I stress some — of housing benefit are satisfied that there is no limit to what they can get, they will stick out for a house of the size and quality and in the precise place that they want to be until, in the end, a housing officer grants them that property. I am sure that all of us with council estates in our constituencies know of people who will continue to refuse until they get the house that they want.

The hon. Member for Derby, South (Mrs. Beckett), who opened the debate for the Opposition, is gazing at me as if to imply that that does not happen. If that is so, I do not know where the hon. Lady has been when dealing with housing, because this is a matter which gets up the noses of most honest straightforward tenants who regard themselves as playing by the rules, and they are irritated, and rightly so, by those who abuse what ought to be a reasonable and fair system.

I deal next with the non-dependant reductions, which, as the review body rightly points out, ought to be called non-dependant contributions. I agree entirely with the view of the review body. This should remain in the calculations on the basis that those who are sharing a household should contribute to it, or at least be assumed to be contributing to it, if they have the income to do so.

I join my hon. Friends in welcoming the sound approach of the recent uprating. We should underline the point that, contrary to what is stated in the Opposition motion, a pensioner couple will need to have an income of nearly £700 a year over the retirement pension level before housing is reduced by even 10p per week. As the review body made clear, there are bound to be difficult judgments on how to provide assistance in a fair and equitable manner within the limits of public expenditure. There are limits, and it is nonsense to suppose otherwise. It is dishonest politics to tell people that there are no limits.

The review body went on to point out—this refers to the last part of the Opposition motion—that the review should not be allowed to stand in the way of the basic reforms necessary to achieve a similar and equitable system.

Mrs. Beckett: The hon. Gentleman referred to dishonesty. Does he agree that it is a little dishonest to quote the review body without acknowledging that it did not propose cuts in housing benefit, whereas the Government are proposing cuts of £500 million and then casually saying, "Mind you, there have to be changes in priorities."?

Mr. Brandon-Bravo: I do not think that I could be accused of having made selective quotations or of being dishonest, unless the hon. Lady wishes me to read out the whole document to prove that I have read it, or am I misunderstanding her point?

Mrs. Beckett: I think that the hon. Gentleman has not understood. I accept that the hon. Gentleman does not make selective quotations. My point is that the review body, which he chooses to quote as stating what should be a fair system—of course choices have to be made—did not propose any cuts in the overall cost of housing benefit. In my view, it is a little dodgy to use the words of the review body report about changes in the system which do not imply overall cuts to justify what the Government are doing, which is to make cuts of £500 million.

Mr. Brandon-Bravo: If I appear to have been suggesting that the review body stated that we should reduce benefit by £500 million, of course I apologise. The hon. Lady is correct. That was not the task of the review body. That is the task of the Government and of politicians. Their task is to consider the report of the independent review body and to decide what is good in it and with what they agree or disagree, and to establish whether those recommendations can be fitted into the totality of what can be spent in the public sector. This would apply whether the hon. Lady was speaking from the Opposition Dispatch Box or from the Government Dispatch Box. The hon. Lady will be in the same position of examining the report and saying, "What can I take out of it that I agree with, what do I disagree with, and how much can we afford?"

There is always a limit to public expenditure, whichever party is in government. The Government seem to be going about it in the right way, and they have my complete support.

8.47 pm

Mr. Frank Haynes (Ashfield): I have listened to most debates on the review, and in the matter of housing benefit, I am convinced that there has been a con trick by the Government. The Minister talks about simplification. It will be worse later than it is now. I do not know how many surgeries the Minister has, or the Secretary of State, for that matter.

Mr. Whitney: One a week.

Mr. Haynes: I hold surgeries regularly to meet constituents about their problems.

Mr. Whitney: So do I.

Mr. Haynes: I mean those I hold to discuss housing benefit when constituents have lost it. Is the Minister going to say that he has those as well?

Mr. Whitney: I am certain that all our constituents will welcome the simplicity which will be built into the new system, and they will then understand it.

Mr. Haynes: I did not ask the Minister that question. I asked whether he had constituents enjoying housing benefit who have now had it taken away. That is the kind of constituent who comes to my surgery with a problem. I am asking the Minister whether any of the electors come to him and complain about losing housing benefit. I notice that he is not coming back to the Dispatch Box. He knows full well that those people come to see him, but he is not saying anything because the Government robbed the people last year, never mind what they will do in the future.

Mr. Whitney: The hon. Gentleman seems to want to tempt me, and I am happy to be tempted up to a point. We all have constituents who enjoy housing benefit. In 1979, 5·5 million people enjoyed housing benefit; now, there are 7·5 million. That is the arithmetic.

Mr. Haynes: The hon. Gentleman has dodged it again. I am talking about his constituency, not about the national level. I am asking him specifically about his constituency and the people he represents. It is obvious that he is not going to say that his constituents have complained that their housing benefit has been taken away because of the Government's policies. The hon. Gentleman is not going to admit that. If he does not give us the answer, he is not being really honest.

Mr. James Hamilton (Motherwell, North): Does my hon. Friend recognise that the Under-Secretary of State has said that in 1979 5·5 million people received housing benefit and that the figure is now 7·5 million? Is that not because of Tory policy, the large number of unemployed and the low wages that are being paid?

Mr. Whitney: I am happy to point out that the whole of our social security benefit system, including housing benefit, has kept well ahead of the drain involved in the sad unemployment figures. That unemployment is the reason why we must keep public spending under control. If we trod the road down which the Opposition are tempting us, we would spend billions and billions of pounds and unemployment would double and treble. That is the point that the Opposition must grasp.

Mr. Haynes: The hon. Gentleman really is naughty. I have not yet made any suggestions. I have only asked him a question, and he has not answered it. Good grief, that is the limit.

Let us look at the cold facts. I have heard the Prime Minister and other Ministers at the Dispatch Box pour out compassion, but there has not been an ounce of real compassion from the Government. I know that the hon. Member for Nottingham, South (Mr. Brandon-Bravo) is a member of Nottingham city council. When he made his contribution, all his thinking concerned finance. He was not thinking about the problems created for the people who will be totally dependent upon these benefits. That is why I say that this is a con trick. Ministers are constantly asked for figures, but they talk only about structure. We were given only one or two figures.

When my hon. Friend the Member for Dunfermline, East (Mr. Brown) put his questions, the Minister did not want to respond, because he knew full well that my hon. Friend had all the answers. My hon. Friend knows what will happen with social security from A to Z, right through the benefit schemes, and he knows what the Government want to do.

I remember what happened when the right hon. Member for Daventry (Mr. Prentice) was the Minister with responsibility for the disabled. History is now being repeated. The Opposition were moaning and groaning as we do constantly, about unemployment. The right hon. Gentleman set up a scheme with one thousand storm troopers to find out where he could rob the disabled. [HON. MEMBERS: "No."] Government Members have bad memories. The hon. Member for Derbyshire, South (Mrs. Currie) was not a Member then and did not hear what was said. I assure her that that programme was implemented. The Government are again robbing the poor people to feed the rich.

I well remember the last time a massive decrease in income tax was given to the rich. When the Prime Minister was asked what would happen, she said, "The money that they get back will be invested in industry. It will create jobs, and will get the nation back to work." It did not do that. The restrictions were lifted, and all the money flowed out of the country.

The same thing will happen with SERPS. Unless the Government back off from their proposal, the insurance companies will invest their money abroad, just as they do now. This will affect the working-class people who contribute to SERPS. The Government will push money overseas, instead of investing it in Britain.

Mr. Brandon-Bravo: Like all his colleagues, the hon. Gentleman makes constant references to handouts to the rich. Does he want us to return to the days before the top tax rate was more than 60 per cent., back to those confiscatory levels that created the brain drain?

Mr. Haynes: Talk about the brain drain. Pop stars? Are those the people to whom we want to give back all the money? There are thousands of them. That is not work. I have worked in the pits; I know what work is. I contributed to SERPS. But we are talking not about that scheme but about housing benefit.

Mr. Brandon-Bravo: The hon. Gentleman made that point.

Mr. Haynes: The hon. Member for Nottingham, South (Mr. Brandon-Bravo) intervened in response to my point. I raised that matter only in passing, but he extended it. Let us consider fairness. Members of Parliament obtain relief for a second home, yet we are talking about taking the benefit from those who desperately need it.

Mrs. Edwina Currie (Derbyshire, South): Rubbish.

Mr. Haynes: The hon. Lady is half asleep. If she does not know about the entitlements of Members of Parliament, she should go the Fees Office and find out.

Mrs. Currie: Will the hon. Gentleman give way?

Mr. Haynes: I shall not give way. The hon. Lady should go to the Fees Office and clarify what I have just said.

Mrs. Currie: Will the hon. Gentleman give way?

Mr. Haynes: It is in *Hansard*. The hon. Lady can go to the Fees Office and find out about those entitlements. Hon. Members have the right to claim relief on a second home, and are doing so. Conservative Members applied

[Mr. Haynes]

pressure to bring about those benefits. That is how fair they are. They are looking after themselves as well as the rich.

Mrs. Currie: For his own sake, will the hon. Gentleman give way?

Mr. Haynes: I shall not give way.

Mr. Deputy Speaker (Mr. Harold Walker): Order. The hon. Member for Ashfield (Mr. Haynes) is not giving way. The hon. Member for Derbyshire, South (Mrs. Currie) must resume her seat.

Mrs. Currie: I am grateful to the hon. Gentleman for giving way.

Mr. Haynes: I am not giving way.

Mr. Deputy Speaker: The hon. Member clearly is not giving way. The hon. Lady must resume her seat.

Mrs. Currie: I am grateful to the hon. Gentleman.

Mr. Haynes: I am not giving way. I respect the Chair. When Mr. Deputy Speaker is speaking, we sit down.

It is a continuous shackling that is going on. The Government are going to shackle the people in the very low income groups so that they cannot have the benefits that we say they are entitled to. It all lines up with this Government's policy of shackling the trade unions.

If the Government do not back off from this scheme, it will burden the local authorities. The staff of Nottingham city council will be burdened with more work. When the housing benefit scheme was transferred from the DHSS to the local authorities, it was made clear to the authorities that they must not take on any more staff. Here is more work coming their way, and if this proposal comes into operation, I shall be interested to see how the local authority staff react. It will mean more work for less money for them.

Conservative Members have come up with excuses about complications, and saying that the structure must come first and that figures are necessary. Some of us have attended meetings and tried to explain what the Government are doing.

Recently in the Nottinghamshire county council points have been raised about unfairness and the allowances that the police get — massive rent allowances and free prescriptions. The Government put the cost of prescriptions up to £2 not long ago, but the police get free prescriptions, free spectacles, free dentistry. What is going on is totally unfair. If hon. Members want to understand about fairness, they should listen to some of the contributions made from the Opposition Benches. The people who can afford to pay should be paying and the people in the lower income groups should not have to pay what they can ill afford for what they need.

In this review the Government, I maintain, are conning the public, but they will not get away with it. Slowly but surely the people are waking up to what is going on. The Government will force local authorities to implement these proposals and no doubt they will watch very carefully to see how many people the authorities take on to do the job. These proposals show quite clearly where the Government are going as far as the lower paid people of this nation are concerned. I think that after next Thursday the Government will get the message, because, make no mistake, when we get the opportunity we will put all these wrongs right and the rich will have to make their contribution, because they are not making it at present.

9.3 pm

Mr. Timothy Wood (Stevenage): I have listened with interest to some of the criticisms of the Government action on housing benefit, but I must confess that I find many of the criticisms of the proposed changes, whether in the uprating or in the social security benefits review, misguided. I know that the present system of housing benefit was introduced by this Conservative Government, but I and many of my colleagues have been highly critical of some of its complexities. We have believed it to be in some respects illogical.

I believe that the variations in taper that apply at the moment are extremely difficult for people to understand. The variation concerning a lower taper in terms of rates compared with rents is rather absurd. Therefore, a change that will gradually move away from the present position to what I hope will be, after consideration of the Green Paper and further consideration of the White Paper and the eventual legislation, a common taper, will be a much better, more comprehensible and fairer system in terms of those receiving housing benefit.

The move that has been made to alter the taper and rates will minimise the impact of any change in one year, so avoiding those most in need being grossly adversely affected. As the Minister pointed out, old-age pensioners receiving £10 or £13 above the basic pension will find their housing benefit position changed only negligibly because of the taper alteration. I applaud the decision to proceed in that way.

It seems absurd that of the 7 million people who are covered by that benefit, a substantial number are paying income tax, some at a significant level. The changes in housing benefit — the alterations being made now and the changes that will result from the discussions on the Green Paper—will create a more satisfactory system.

Some extraordinary scare stories have circulated about the likely results of the various reviews into benefits and the legislation that may flow from those reviews. I have made some calculations, taking into account the rates of family credit, housing benefit and changes that are proposed in the social security system.

In view of the way in which the family credit system may be based on net income — after which housing benefit will apply, on the basis of net income also, taking family credit and other benefits into account—we may find that housing benefit payments fall considerably for large families simply because the family credit that will be paid in those cases will be substantially increased.

In other words, because of some interesting interplays among the various benefits, we are likely to find that one aspect of the system shows a significant saving, although the people who will be benefited or disbenefited, as the case may be, will have their needs met.

The present combination of benefits — FIS, supplementary benefit for unemployed people, housing benefit and so on—acts as a disincentive to people to improve their position at work by doing overtime or undertaking other responsibilities. There is an overwhelming case for making the system simpler and for introducing greater equity, while at the same time maintaining help for those who really need it.

Despite all the Opposition's protestations, the truth is that those who are in most need will be supported as effectively as in the past. That is as it should be. But, equally, there will be an element of incentive for those who can take advantage of opportunities in work and so on to do so. I believe that that, in its turn, will reduce some of the pressures on the present benefit system.

Some of the Opposition's arguments are nonsense. Do they really support what I believe was a mistake when it was introduced, the variations in taper? Do they really think that it is best to have a 9 per cent. taper in rates? Or do not they think that it is more appropriate to have one taper covering all those housing benefits? Surely that is the more straightforward approach—the better approach. If the Opposition believe that that would be a more logical eventual solution to the problems and difficulties of the present system, surely it is equally logical, sensible and reasonable to move in that direction in gradual stages—not in one jump. Legislation may be passed, but it might be possible to make some modest moves in that direction that do not hit any particular group substantially at one time.

In what they have done on housing benefit and the other benefits that interrelate with it, the Government have taken a courageous stand, proposing to make changes that will lead to a more efficient and effective system. As the Opposition frequently tell us, the complexities of the present system, whether in family credit, family income supplement or housing benefit, are such that large numbers of people who may be entitled to them do not claim the benefits. The hon. Member for Ashfield (Mr. Haynes) mentioned people coming to see him at his surgeries. I must confess that many people come to see me at my surgeries about housing benefit. The fact is that in most instances they do not understand the tabulations that they receive. They find them too complicated. They do not understand the picture that is presented in that way. They are desperate for a system that is simpler and more comprehensible so that they will——

Mrs. Beckett: The hon. Gentleman's remarks are of considerable interest. They follow on from remarks in a debate not long ago, which was not on this subject, but on social security. I think that he is falling into the trap that his hon. Friend the Minister for Social Security fell into on that occasion. Of course everybody wants a simpler system, and there is much to be said for having a single taper. However, there is not much to be said for having a single taper that will make things so much worse that people will lose money. I ask the hon. Gentleman to think for a moment whether those who come to his constituency surgeries with justified complaints about the complexity of the system, are brought there by losing money. In my experience, although they may also be concerned about the complexity of the system, they are much more concerned about whether they gain or lose by the changes that are made. As the Minister for Social Security suggested on one occasion that people would prefer a Rolls-Royce system even if it meant less money, does the hon. Gentleman share that delusion?

Mr. Wood: Obviously, those who complain would rather have more money. Nevertheless, adding together the various benefits — family income supplement, housing benefit and so on—it is equally true that if a £1 gain means that one is worse off, one cannot conceivably defend that system. If changing the system to a more equitable one means that, relatively speaking, some will be a little worse off and some will be better off, I am afraid that that is a change that I accept. One has to go down that path. As some of those who may be marginally worse off may complain loudly, I welcome the courage of the Government in nevertheless pursuing the changes to a more equitable system.

Mrs. Beckett: I do not wish to persecute the hon. Gentleman, but if what the Government are doing will simplify the system, there might be a slight tendency to applause from the Opposition. However, that is not all the Government are doing. In simplifying the system, they are taking £500 million out of it, and that means that there will be hardly any gainers but many losers. That is what makes what they are doing so utterly indefensible.

Mr. Wood: I might accept that general proposition if I did not also take account of the fact that a vast proportion of those so-called beneficiaries of the benefit system are also paying income tax. If one could devise a system, as I believe one can, whereby less benefit may be paid in particular sectors, and at the same time less income tax is paid by the same people, that would be a more sensible and rational system.

Mr. Tony Favell (Stockport): Does my hon. Friend agree that it is ludicrous that one third of all households, and 50 per cent. in places such as Liverpool, should be taxed and rated to such an extent that they cannot afford to pay their own rent and rates? We must evolve a system whereby people can pay their own housing costs, and the sooner the better.

Mr. Wood: That is right and, as I have said, at the moment we have an absurdly complicated system in which people are receiving housing and other benefits and paying income tax. We need to change that system. The whole nature of the proposed benefit system changes is such that in terms of net income, housing benefit can fall for families with many children, but they will be getting substantial increases through the family credit system, and all to the good.

The savings that may be achievable in the benefits system will provide the possibility of raising tax thresholds, which will mean that those people who may in some circumstances have lost out on benefits will pay less in tax. That is wholly desirable. I cannot understand the Labour party opposing such a principle.

Mr. Boyes: The trouble is that the hon. Gentleman cannot understand anything.

Mr. Wood: I can understand. I look at the figures and I listen to complaints made by the people in my surgery. The changes in the housing benefit system—the moves to a common taper and a more simplified system—will mean that there will be a better take-up for those in need, which will give the opportunity for the raising of tax thresholds so that we do not at the same time have benefits received and taxes paid.

Therefore, overall, instead of the whingeing that we have heard from the Opposition Benches, we should be welcoming the changes, and the fact that gradual modifications are being made in the housing benefit system so that there will not have to be dramatic changes when the social security reviews are completed. We should welcome the move to more effective means to help

[Mr. Wood]

those in real need. I am pleased to see the changes this year and I look forward to the further changes coming from the benefits review in the coming years.

9.18 pm

Mr. Robert Litherland (Manchester, Central): I am told that there has today been a conference on this subject in Manchester. It was attended by about 200 delegates from various local authorities in the north-west of England. There is much worry about the housing benefit shake-up, and the conference must have considered the implications of the changes to the housing benefit system and how the Government are organising future handouts while saving £500 million.

Local authorities have gone through chaos. They have only recently got the housing benefit system right after the last change, and they regard any further upheaval as unnecessary, costly and time-consuming. I am sure that the conference will have expressed its concern about the restructuring of the system and the reduction from 96 to 80 per cent. of the moneys that local government gets from Whitehall. It is estimated that that cut will cost Manchester city council about £12 million. The Government have promised to take that reduction into account when agreeing levels of support for local authorities, but councils are extremely dubious about the Government's intentions, because of their track record.

Another serious worry is the time factor in making changes. Last time the chaos reigned for nearly two years, for recipients and administrators of the system alike. Many hon. Members have referred to their advice bureaux. Mine is in a highly deprived area of the city and it was always full of worried people on Friday evening and Saturday. I fear a recurrence of that, and of many elderly people and people who rely on benefits waiting for advice because they are bemused by the complexities of the system. So great was the confusion last time that local authorities put out leaflets which tried to describe in layman's terms what was going on. It was a traumatic experience for many elderly people. Anybody who runs an advice bureau must be worried about that happening again.

This time, however, town halls have just 21 months before the deadline of April 1987. Councillor Frances Done, the chairman of Manchester city council's finance committee, has declared that the cut in funding is a direct attack on local government finances and could cause dire administrative problems. This is especially true for inner-city areas such as Manchester. Extra staff will be required to cope with the paperchase that will result from these proposals. Manchester city council is trying to employ an extra 20 or 30 staff to administer the system—to collect rates towards which tenants will have to contribute 20 per cent., water rates and the heating element of rates, all of which will be an administrator's nightmare.

We have heard much about the losers and the gainers today. It is difficult to get figures these days, but it seems that about 500,000 people will gain, that 1 million people will lose up to £1·40 a week and that 5 million people will lose between £1·40 and £3 a week. It is estimated that 650,000 people will lose between £3 and £6 a week, and that 150,000 people will lose more than £6. In all, 7 million people will be losers. Those are some conclusions of the research carried out by Manchester city housing benefit section.

In Manchester alone 112,000 people receive housing benefit, and of those 105,000 will lose some or all of that benefit. With all the pressures of collection and administration, the authority has a dismal prospect of seeing any reduction in the £12 million rent arrears. Indeed, with the Government's proposals, and with the extra administration and rent collection, it is estimated that there will be a massive increase in rent arrears.

Mr. Favell: Does the hon. Gentleman agree that, with ratepayers being obliged to pay at least 20 per cent. towards their rate bills, the proposal will increase the public accountability of local authorities to their ratepayers? Does he think that that will be good for Manchester city council, which employs twice as many local government employees per head of the population as neighbouring Stockport?

Mr. Litherland: We could debate rates all night. Manchester's rate is high because of the Government's cuts. The extra administration that is being put on the authority by the Government will require far more local government finance. With rate capping, where is the money to come from? The Government always blame shortfalls on the greed of Manchester city council or the people who live in Manchester. In the past we have provided marvellous services, and they must be paid for. People are willing to pay for them.

The hon. Gentleman is not comparing like with like. In Manchester we have massive deprived inner city areas, with massive unemployment, including massive youth unemployment, and elderly, sick and disabled people. There has been a mass exodus from the city to the new towns and suburbs. People have left the deprived areas. That is why we have asked for more rates. We could debate rates all night, but at present we are debating housing benefit, which is only one aspect of the matter.

All the extra responsibilities of local authorities and housing associations will have their effect on administration and finance. Once again chaos will reign supreme. One of the briefs that I have received about what the Government should do states:

> "Housing Benefit should be based on an equality of treatment between those who get 'benefit' in the form of tax relief on mortgage interest and those who receive benefit to help with rent and rates. The Green Paper in no way addresses itself to this relationship.
>
> Rising levels of council rents mean that housing costs have become a much higher proportion of the outgoings of families on low income. Not only does the Government not recognise this but, having already slashed the Housing Benefit budget, it is drastically reducing entitlement to Housing Benefit. Fully adequate provision for housing costs must be introduced."

The Government should take heed of that.

Finally, I wish to reiterate the point made by my hon. Friends. The Government are to make a cut of £500 million in the amount of benefit paid to the poorest people, who cannot pay, so that they can meet their manifesto commitment of tax handouts for the rich. That is their only purpose.

9.28 pm

Mrs. Edwina Currie (Derbyshire, South): I hope it will not be necessary to make an apology for being on my feet twice in one day, but housing benefit is an extremely important subject. We spend another £4,000 million on it, and it affects large and increasing numbers of our constituents, yet from looking around the House this

evening it seems a desperate pity that so few hon. Members have bothered to take an interest in the subject. It is not enough to moan about housing benefit when there are changes. Hon. Members should be present to put points to the Ministers at the opportunity that they have.

The hon. Member for Manchester, Central (Mr. Litherland) will be surprised to hear that I agree with much of what he said. Many of the administrative problems that he highlighted, especially in the major cities, will cause considerable trouble when the proposed changes are introduced.

Before I go on to my main remarks, I wish to pick up the comments of the hon. Member for Ashfield (Mr. Haynes), who claimed with great fervour and determination that hon. Members could obtain relief on a second home. If he is claiming tax relief on the mortgage for a second home, he had better be careful, because the Inland Revenue will come down on him like a ton of bricks. We are not entitled to claim tax relief on a second home. The only people who can do so are those who have a second home for a dependent relative, and that dependence must be disability, age or, at a pinch, mental handicap. The provision does not apply to hon. Members. What we can claim is an allowance from our parliamentary allowance against the interest on any mortgage that we might pay —exactly the same as though we were paying rent. We can claim that, but not tax relief.

Mrs. Beckett: In a sense, the hon. Lady has made the point that I was about to make. I was about to say that she was nit-picking. My hon. Friend the Member for Ashfield (Mr. Haynes) talked about the assistance that Members of Parliament can get if they buy second homes. The hon. Lady said that his remarks were true. Whether she chooses to define it as tax relief on a second mortgage matters not to me or to my constituents — or, I suspect, to her constituents.

Mr. Deputy Speaker: Order. I think that we had better get back to the housing benefit that is mentioned on the Order Paper.

Mrs. Currie: Yes, Mr. Deputy Speaker. It is simply a question of what we mean by the words we use. I was simply trying to assist the hon. Gentleman.

The housing benefit scheme was born of good intentions. It was intended to simplify the previous complicated rebates system, and it was intended that the DHSS should pay rent directly to landlords or to housing authorities so that there could be no abuse. I was the chairman of the housing committee in Birmingham when the scheme was introduced, and I welcomed it at the time and thought it was entirely laudable. But it is worth pointing out that, although all Labour Members have spoken tonight about the importance of the housing benefit system, when it was introduced, they voted against it. They did not want it in the form in which it was introduced, but now they want to keep it in the form in which it was introduced. They want no changes. They should remember some of the debates that took place before I entered the House.

Some of the problems that resulted from the scheme were caused partly by the lack of time to introduce it. That problem was recognised by the previous Minister of State and the previous Under-Secretary of State, and the period for the introduction of housing benefit was extended. Part of the problem was caused by the pressure for concessions, and the need constantly to recognise the extra needs and arrangements that were required. However, rough justice may be the best system. Every time we try to make the system fairer, we make it more complicated, and the complications destroy the fairness that we try to introduce.

The result is that the system is fiendishly complicated, with six separate tapers, different systems for rent and rates and different systems for the type of claimants. It has had unforeseen results that no one in the House would have wanted. It means that young people are better off leaving home than if they stayed at home. It destroys the link between rate-paying and voting. No one intended that to happen, but it did. It is so generous that, in many cases, a majority of the people in some areas are in receipt of benefit. In the ward that I represented in Birmingham which had almost half council tenants, in 1982, 50 per cent. were claimants of one sort of another. Now the figure is 75 per cent., and it is increasing. Their economic circumstances have not changed. What has changed is the generosity of the system.

The stigma now attaches to the people who do not claim benefit. One of my problems in my advice bureaux is trying to explain to good-hearted people, many of whom have worked in the mines, paid for their pensions and are comfortably off—thank God they are—that they are not entitled to housing benefit. So much for the stigma.

I suspect that many people who claim rate rebates, especially owner-occupiers, do not realise that some public expenditure is involved. They believe that their rates forms arrive with the rebates included, or simply crossed off, and that no transaction or handing over of money is involved. They repeatedly say to me, "I do not get anything from the state. I am not a scrounger. I do not get anything that I have not paid for." They do not realise that rate rebates, like many other benefits, are non-contributory benefits which cost the Government money. That money comes from other taxpayers, and if they are at the same time, as many of them are, occupational pensioners and taxpayers they are paying for their own rebates and they do not realise it.

Another aspect of the system which has escaped attention and not been mentioned this evening, is that the existence of generous non-cash-limited housing benefit means that no local authority has any incentive to keep down its rents. The Department of Environment for some years has imputed a rent increase each year as it calculates the rate support grant, housing investment programme and so on. I raised the rents in the year that I was chairman by more than that figure. I did it to get some money for repairs. Every penny was spent on housing repairs. I did it to encourage people to take another look at housing purchase, and we were successful at that as well.

I could do that with impunity, because the DHSS would pay. One of the results is seen clearly in a quotation from the Rowe report on the housing benefit review. In paragraph 1.20 he said:

> "Since 1979 rents and rates have increased much faster than inflation so that, according to DHSS figures, expenditure on rent rebates alone is now over 50 per cent. higher than it would have been than if rents and rates had remained at the same level in real terms as in 1979."

In other words, the existence of the benefit generates increases in rents. No housing authority has any incentive to keep down its rents.

Mrs. Beckett: That is the most stupid thing I have ever heard the hon. Lady say, and that is saying something. Is

[Mrs. Beckett]

she completely unaware that the rise in rents has something to do with the £1·3 billion that the Government have cut from the general housing subsidy? It has nothing to do with the generosity of housing benefit. The cut in housing subsidy was justified by the Government because they said that they would be able to give housing benefit which would target help on the poorest—and now they are cutting housing benefit.

Mrs. Currie: Of course I am aware of that. I simply make the point that it is possible to increase the rents—and I did it, so I know what I am talking about—it is possible to increase the rents by more than the loss in housing subsidy, by more than the increase in rents enforced by the Department of the Environment, and by more than the money that is needed for repairs. It is possible to increase the rents by whatever figure one fancies, because the DHSS will pay.

It is not just Sheffield that has done that. It is every local authority in the country; and many of them are now achieving something which I regard as quite wrong, and that is a surplus on their housing revenue account—in other words, a profit, and the profit is coming from the DHSS.

Mr. Frank Field: I wish to return to the point that my hon. Friend the Member for Derby, South (Mrs. Beckett) made. We have had statement after statement from Ministers saying that they are deliberately putting up rents partly to encourage buying, as the hon. Lady has noted. The defence of that has been that those on lower incomes and those who are poorest will not be affected because of the rebate scheme. We have now had the rents increased, but we are having the rebate scheme cut. Surely that is wrong.

Mrs. Currie: I do not disagree with a word that the hon. Gentleman says, except his last sentence. He has described the situation very aptly. The sad thing—I am sure that he will join me in this—is that, despite all the extra money that has been spent on housing and despite the huge increase in housing benefit, so many people are still badly housed. There are more than 30,000 empty council properties in London alone waiting for repairs, but the money does not get spent on repairs. It gets spent in other ways, and to my mind that is quite wrong.

Something had to be done. The proposals in the Green Papers are intended to remove all that muddle and to replace it with something much simpler. By insisting that we all actually contribute to our rates, we will be restoring some local democracy. Surely everyone on both sides of the House can say that those are laudable intentions, just as we said three or four years ago.

I am afraid that I am a bit of a grotty old cynic. I have a couple of words of caution to offer to my right hon. and hon. Friends on the Front Bench. The first refers to the remarks that were made by the hon. Member for Manchester, Central (Mr. Litherland) about the small bills for the 20 per cent. that people have to pay towards their rates. He mentioned similarly the bills that we have to collect at the moment in the local authorities for water rate payments and so on. He was absolutely right. The average payment for rates by a council tenant is about £5 a week. If we are going to take 20 per cent. of it—that is £1 a week—and if we seriously think that local authorities will spend an awful lot of time chasing around for bills of £1 a week, I have to say that I think that my right hon. and hon. Friends are mistaken. What will happen is the same as with the water rates: the local authority will end up writing it off. The benefit to be achieved simply will not match the adminstrative costs.

Further, if my colleagues seriously think that people are going to start voting Tory in huge numbers in the inner cities because instead of paying £1·05 per week they may be asked to pay £1·10 per week I think that they are mistaken. I hope that I am wrong but I honestly do not think that that amount of money is sufficient to wake people up from their apathy of not voting or to change their voting intentions.

My other word of caution is directed to the Department of the Environment and the Treasury as much as to the DHSS. It came out of a discussion that we had yesterday in the Select Committee on Social Services, which is doing reviews of the reviews. My right hon. Friend the Minister was there. The Green Paper proposes to reduce the DHSS contribution to housing benefit administration and the actual contribution to housing benefit to about 80 per cent. At present, the DHSS pays 90 per cent. or 106 per cent. depending on the benefit. At present, local authorities have to find £135 million. We have seen various calculations which suggest that local authorities in the future will have to find anything from £400 million to £700 million extra.

According to volume 2 of the Green Paper, paragraphs 365 and 366, that will be taken into account in the rate support grant. Well, will it? If we seriously say to the Department of the Environment that we want £500 million extra for rate support grant, will it actually cough up? I hope so, because if it does not, there will be yet more rates increases, most of which will be borne by the ratepayers, and many more people will qualify for housing benefit. The poor old DHSS, which pays for just about everything else in this country, will then end up spending even more. I have a nasty feeling that the benefit system is so complicated and so all-embracing that almost every change will provoke howls of rage and end up costing us more. It is like trying to get a fat lady into a corset. It will all pop out somewhere else. I see my hon. Friend the Whip looking at me—I wish that he would not while I am talking about fat ladies and corsets.

If we do nothing about the situation, we simply bank up a bigger and bigger bill and yet more people will be claimants, including the most respectable people, who have never before asked or wished to claim a non-contributory benefit. People like that should not be drawn into this all-suffocating net. I applaud every effort made by my right hon. and hon. Friends to improve the housing benefit system and I wish them luck.

Mr. Norman Buchan (Paisley, South): Please don't stop!

Hon. Members: She has already finished.

Mr. Speaker: Has the hon. Lady finished?

Mrs. Currie: Yes.

9.42 pm

Mr. Allen McKay (Barnsley, West and Penistone): Like the hon. Member for Derbyshire, South (Mrs. Currie) I also have a nasty feeling. I have a nasty feeling that the Government are continuing the process of milking the

poor. Year after year they have "reorganised" the housing benefit system. There were reorganisations in 1983, 1984 and 1985 and the Green Paper seeks to continue the process into the future.

The reason for all this reorganising is that the Government have fallen into the trap to which the hon. Member for Derbyshire, South referred. By cutting central Government funding to local government, they forced local government to put up the rates. To get over that, they brought in a rate-capping system to ensure that local government could not recover for the benefit of their localities the money that had been taken from them by the Government. The Government also brought in a system which forced local authorities to put up rents.

Naturally, every time the rents and rates went up, the number of claimants increased. Indeed, we encouraged people to apply for benefits that were theirs by right. The Government have now recognised that consequence and the Green Paper seeks to do a rate-capping job on the poorest tenants. In my area we now have 21,525 council tenants claiming rent and rates rebates, 554 indirect ratepayers and 13,669 direct ratepayers claiming rate rebates.

That is a total of 35,748, or 41·63 per cent. of the population. Fifty per cent. of my constituents receive rent and rate rebates. That is a direct result of the Government's policy of forcing up rent and rates.

The new proposals are no more than an excuse to claw back some of the money that the Government are having to pay out. No figures have been provided. They have been left out for two possible reasons: first, so that calculations cannot be made and, secondly, to gauge the reaction of the country and then to provide the figures.

What will happen to housing benefits in November 1985? In June 1985 the Secretary of State announced the benefit uprating. The changes deliberately resulted in a cut in housing benefit entitlement for many recipients. About 50 per cent. of my constituents will be affected by the changes. It is estimated that 2 million households will suffer reductions and that 500,000 households will receive no benefit. Those who will be affected are poor people with families and pensioners. There will be a further twist to the spiral and a further increase in rent and rates. More people will try to obtain benefit from the housing benefit scheme. The Government will then have to pay out more money, which will result in a further twist to the downward spiral.

The Government were given the opportunity to introduce a scheme that would benefit people, not take benefits away from them. I accept that money for such schemes has to be found from somewhere, but money should not be taken from the poor to be given to those who are even poorer. Money should be taken from those who can afford it to help those in need. In that way the economy will grow, not decline. I am certain that we shall debate this matter again, because 50 per cent. of the population will be affected by it.

9.47 pm

The Minister for Social Security (Mr. Tony Newton): I hesitated to intervene in the argument about how many households could be provided with mortgage tax relief, but I am tempted to think that there ought to be some kind of tax relief for having to do this kind of thing twice over in one evening.

Two elements in the debate are related but distinct. I shall try to deal with some of the strategic questions that were raised by the hon. Member for Derby, South (Mrs. Beckett). First, however, it would be sensible to say a few words about another element in the debate: last week's uprating and, in particular, the proposal about the housing benefit rates taper. I shall not rehearse the details of the uprating, apart from reiterating that against the background of a £2 billion increase it is ridiculous to say that the Government are solely concerned with cutting social security benefits.

The housing benefit needs allowances were fully uprated by 5·8 per cent. Far from housing benefit expenditure being cut, it is likely that this year it will be larger than it was last year, though just a little less large than it would have been but for the changes that we announced last week. About 7 million people will be helped by housing benefit, to which must be added a fact that was acknowledged by a few hon. Members—that about one third of a million low-paid families with children will receive additional housing benefit over and above what they would otherwise have received as a result of the real improvement in the child needs allowance.

That is the context in which the motion has sought to concentrate only on the proposal to increase from 9p in the pound to 13p in the pound the rate at which help is withdrawn from people in the upper ranges of those on housing benefit in respect of help received with their rates.

I wish to emphasise three points, even in relation to that proposal. First, someone on supplementary benefit will not be affected in any way at all. His housing benefit remains exactly the same. Secondly, no one with an income below the needs allowance is affected in any way at all. That means that no single pensioner will be affected who has an income below £48·55, and no married pensioner couple will be affected with an income of just over £71. No one at any level of income will be affected at all in respect of help with rent.

The hon. Member for Derby, South overplayed her hand in some of the figures she gave. She claimed that from November a pensioner couple paying £5 domestic rates would not be entitled to benefit with an income of £85. If she checks her figures, she will find that in November such a couple will still be on benefit with a weekly income of £90. That is the advice that I have been given.

It puts these figures in context when I repeat that the average loss for pensioners in respect of the housing benefit rates taper proposal is about 47p a week. That should be contrasted with the fact that the retirement pension is going up by £4 a week for a married couple. Put another way, a pensioner will have to have an income of £13 above the basic state retirement pension level to lose as much as 10p a week. That helps to put the matter in context.

Having made those remarks about the uprating, I come to the major theme of the debate, including the serious and thoughtful speech of the hon. Member for Derby, South about the review. So far as I can, I shall respond in like terms. To do so, I must begin by putting housing benefit into the broader context of some of the other proposals in the review.

Alongside the pension proposals and the family credit proposal, the most important theme of the review is one that I have emphasised on a number of occasions. This is probably the first attempt ever, certainly in 50 years, to

[The Minister for Social Security]

look at income-related benefits as a whole. Beveridge did not do that job. In the succeeding period, things have turned out optimistically under any Government, but he assumed that income-related benefits would be a small tail to the system. That has never been true. In the years immediately after Beveridge, 1 million people were on supplementary benefit. It was 2 million in the mid-1960s, 3 million by the late 1970s and about 4 million now. Neither side of the House can crow about that record.

Because Beveridge had assumed that income-related benefits would be a relatively insignificant part of the system, no one has ever stood back and looked at it as a whole. There have been changes in supplementary benefit from time to time. We invented rent and rates rebate schemes and turned them into housing benefit. We invented FIS in the early 1970s, and that has been improved and extended since. But no one has ever attempted to look at the range of income-related benefits as a whole. They all have different rates and structures as well as their own complexities, and they have contributed mightily to the problems of the poverty and unemployment traps, which are now such a marked and unhappy feature of the British social security system.

Underlying the proposals on housing benefit, which have been the subject of so much criticism tonight, is the fact that for the first time there is an integrated approach across the range. There is a common basis of assessment using net income instead of a mix of net and gross income as at present. Perhaps more important still, there is a common benefits structure. Our family premium concept was carried through from one benefit to the other, and the age relationship for help with children was carried through from supplementary benefit to housing benefit into the proposed new family credit.

Alongside those two major simplifications in housing benefit, we are bringing rent and rates together with a single taper instead of two schemes with six different tapers, which lead to the sort of complications to which the hon. Member for Woolwich (Mr. Cartwright) referred.

Having presented in the review this pattern of income-related benefits as a whole, we will make a number of major gains. It virtually removes the unemployment trap in the literal sense of people being better off out of work than in work, and it greatly eases the poverty trap and in particular eliminates the possibility of marginal tax rates over 100 per cent.—in other words, that one gets worse off by earning more money. Those are major gains across the whole field.

In terms of housing benefit specifically, the structure that we have proposed produces for the first time a system which is fair as between those in and those out of work because it is giving help related to 100 per cent. of rent at the same level of income for supplementary benefit cases and those who are not on supplementary benefit. That in turn enables us to get rid of housing benefit supplement—one of the worst single complexities of the entire social security system—and it enables us to bring about greater equality of treatment between those receiving help with their rent and those receiving help with their rates — that is, between tenants and owner-occupiers.

All those changes—I ask Opposition Members who are critical of expenditure to concentrate attention also on these structural proposals—are major gains in terms of the efficiency of the social security system for any Government, whether this Government or any future Government, in making effective use of whatever resources they decide to spend. That is again regardless of the party political knockabout argument of how much money one spends at a particular time.

I had my doubts whether the hon. Member for Derby, South had fully understood the importance of this in her remarks about high rent schemes when she suggested that, as a result of the review, those who are affected by the current high rent schemes would suffer. One of the important points about going to 100 per cent. help at the same level of income in respect of rent is that the need for high rent schemes disappears. Those high rent schemes had to be invented as an additional complication to the system because we were giving 100 per cent. help to those on supplementary benefit, but help related to only 60 per cent. of rent for those who were not on supplementary benefit and standard cases. High rent schemes go out of the window not because there are great numbers of new losers automatically but because the system is fairer and more equitable between those two different groups of people.

These changes necessarily mean changes in the relativities among those who are on housing benefits. There will be some who do better than they otherwise would have done and some who do worse than they otherwise would have done. As the House knows, it is impossible for me to give figures of exactly what will happen because they depend on income support rates and other factors that we cannot yet settle.

Broadly, the position will be that those who have high rents or low incomes will do better than they otherwise would have done — a perfectly reasonable gain for targeting—and those who have lower rents or the higher range of incomes among those on housing benefit will probably do worse than they otherwise would have done. That is just another way of describing more effective targeting, which is what we are aiming at in the proposals.

I hope that Opposition Members, in continuing the political debate about how much money should be spent, will recognise the real gains in terms of the fairness and effective use of resources which these proposals make possible for any Government from the time of their introduction.

It seems to me that what underlines the motion as much as anything else is that argument about money. That reflects in turn the Labour party's persistent refusal to recognise that spending has to be paid for, and very often by those with very little more money than those one is seeking to help, and their refusal to recognise that the merciless inflation over which the last Labour Government presided did more damage to the poor than anything that the present Government have done on social security. What this motion shows more than anything else is that the Labour party has not thought seriously about the real problems of social security, let alone of its reform. Its position is simply that of a party that will say and do anything to get power — power which, if Labour Members got it, they would not have the slightest idea how to use.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 135, Noes 221.

Division No. 252] **[10.00 pm**

AYES

Abse, Leo
Archer, Rt Hon Peter
Ashley, Rt Hon Jack
Ashton, Joe
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barnett, Guy
Beckett, Mrs Margaret
Beggs, Roy
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Carlile, Alexander *(Montg'y)*
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clay, Robert
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Concannon, Rt Hon J. D.
Conlan, Bernard
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbyn, Jeremy
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Dubs, Alfred
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Evans, John *(St. Helens N)*
Field, Frank *(Birkenhead)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement
George, Bruce
Godman, Dr Norman
Golding, John
Gould, Bryan
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Central Fife)*
Harman, Ms Harriet
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Haynes, Frank
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Howell, Rt Hon D. *(S'heath)*
Hoyle, Douglas
Hughes, Robert *(Aberdeen N)*
Hughes, Simon *(Southwark)*
Janner, Hon Greville
Kilroy-Silk, Robert
Kirkwood, Archy
Lamond, James
Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lofthouse, Geoffrey
McCartney, Hugh
McCrea, Rev William
McDonald, Dr Oonagh
MacKenzie, Rt Hon Gregor
McNamara, Kevin
McWilliam, John
Madden, Max
Martin, Michael
Maxton, John
Meacher, Michael
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Molyneaux, Rt Hon James
Oakes, Rt Hon Gordon
O'Brien, William
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Pike, Peter
Powell, Rt Hon J. E. *(S Down)*
Prescott, John
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Ross, Stephen *(Isle of Wight)*
Rowlands, Ted
Ryman, John
Sedgemore, Brian
Shore, Rt Hon Peter
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, Rt Hon J. *(M'kl'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Stott, Roger
Strang, Gavin
Torney, Tom
Wareing, Robert
Welsh, Michael
Winnick, David
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Ray Powell and
Mr. Allen McKay.

NOES

Adley, Robert
Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkinson, David *(B'm'th E)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Bennett, Rt Hon Sir Frederic
Benyon, William
Best, Keith
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Bruinvels, Peter
Bryan, Sir Paul
Burt, Alistair
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Chope, Christopher
Clark, Hon A. *(Plym'th S'n)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Colvin, Michael
Conway, Derek
Coombs, Simon
Couchman, James
Cranborne, Viscount
Critchley, Julian
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Dunn, Robert
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fookes, Miss Janet
Fowler, Rt Hon Norman
Fox, Marcus
Gale, Roger
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Glyn, Dr Alan
Grant, Sir Anthony
Greenway, Harry
Griffiths, Sir Eldon
Hamilton, Hon A. *(Epsom)*
Hayes, J.
Hickmet, Richard
Higgins, Rt Hon Terence L.
Holland, Sir Philip *(Gedling)*
Hunter, Andrew
Jenkin, Rt Hon Patrick
Johnson Smith, Sir Geoffrey
King, Rt Hon Tom
Latham, Michael
Lawson, Rt Hon Nigel
Lennox-Boyd, Hon Mark
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Peter, *(Fareham)*
Lord, Michael
Luce, Richard
Lyell, Nicholas
McCurley, Mrs Anna
MacGregor, John
MacKay, John *(Argyll & Bute)*
Maclean, David John
McNair-Wilson, P. *(New F'st)*
McQuarrie, Albert
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Mather, Carol
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Meyer, Sir Anthony
Mills, Iain *(Meriden)*
Miscampbell, Norman
Mitchell, David *(NW Hants)*
Moate, Roger
Montgomery, Sir Fergus
Morris, M. *(N'hampton, S)*
Morrison, Hon C. *(Devizes)*
Moynihan, Hon C.
Murphy, Christopher
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Normanton, Tom
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Pattie, Geoffrey
Pawsey, James
Percival, Rt Hon Sir Ian
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Proctor, K. Harvey
Rees, Rt Hon Peter *(Dover)*
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Sims, Roger
Skeet, T. H. H.
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas

Speed, Keith
Speller, Tony
Spence, John
Spencer, Derek
Spicer, Jim *(W Dorset)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stevens, Martin *(Fulham)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Sumberg, David
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Walden, George
Walker, Bill *(T'side N)*
Walker, Rt Hon P. *(W'cester)*
Wall, Sir Patrick
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watts, John
Wells, Bowen *(Hertford)*
Wheeler, John
Whitney, Raymond
Wiggin, Jerry
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Ian Lang and
Mr. Tony Durant.

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith pursuant to Standing Order No. 33 (Questions on amendments), and agreed to.*

MR. SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House welcomes the Government's objective of securing a structure of income-related benefit which will ensure greater equality of help with housing costs for people at the same level of income, whether in or out or work, will remove the need for housing benefit supplement and will be simpler for staff to administer and for claimants to understand.

Armed Forces (Discipline)

10.12 pm

The Minister of State for the Armed Forces (Mr. John Stanley): I beg to move,

That the draft Army, Air Force and Naval Discipline Acts (Continuation) Order 1985, which was laid before this House on 11th June, be approved.

The purpose of the order is to continue in force for a further year the Army and Air Force Acts 1955 and the Naval Discipline Act 1957, which together provide the statutory basis for discipline in the three services. Annual parliamentary approval for the special legal position of the service man is a long-established constitutional concept, and the current arrangements for a quinquennial Armed Forces Act and annual extension of the Service Discipline Acts by Order in Council were endorsed by the Select Committee examining the last Armed Forces Bill in 1981.

As the House will understand, I cannot anticipate the provisions of the next Armed Forces Bill, but, as the current Act expires on 31 December 1986, the House is aware that it can expect to have a relatively early opportunity to consider service disciplinary primary legislation once again. I shall, however, give the Government's view on certain of the recommendations and observations of the Select Committee on the 1981 Armed Forces Bill.

It may be helpful if I remind the House that, in the debate on the order last year, I gave the Government's response to the Select Committee's recommendation regarding the detention and treatment of those who are subject to service law overseas and who are certified to be suffering from mental disorders. That response appears in the *Official Report* of 3 July 1984 at column 267.

Another of the Select Committee's recommendations was that social inquiry reports on young service offenders should be more readily available to courts martial. Naval courts martial already have such information provided by the naval personal and family service.

I am glad to tell the House that, in co-operation with the Soldiers', Sailors' and Airmen's Families Association, SSAFA, we have introduced for a trial period of a year, beginning on 1 May this year, a system which will allow social inquiry reports to be provided in cases where a young army or RAF service man is appearing before a court martial charged with a serious offence. These reports will usually be provided by SSAFA's qualified social workers. Social inquiry reports may also be called for in other cases, if appropriate.

Additionally, the background information on character and circumstances, which is now routinely provided to a court martial on all offenders, regardless of age or seriousness of the offence, has been improved. I believe that these two changes will materially strengthen the quality of the information provided to courts martial dealing with young offenders.

I should like to take this opportunity of expressing my warm gratitude to SSAFA for the help that it has offered us in this important area, and indeed for the excellent work that it and its predecessors have done over the past century on behalf of service men's families. I know that the whole House will wish to congratulate SSAFA upon reaching its centenary anniversary and wish it well for the next hundred years in the very valuable and very important work that it does.

The Select Committee considered the powers under the service discipline Acts to hold temporarily in a place of safety any children of persons subject to service law overseas who are considered to be at risk, and asked for a report to the House on the working of those powers. Since the introduction of this new power on 1 May 1982, only three place of safety orders have had to be made, and two children have been transferred to the United Kingdom under administrative arrangements. To date the present system has worked satisfactorily, but we are considering whether the existing statutory powers should be strenghthened in relation to the transfer of a child back to a place of safety in the United Kingdom.

The Royal Association for Disability and Rehabilitation brought it to the attention of the 1981 Select Committee that the Charity Commission had ruled that the Royal Star and Garter Home for Disabled Sailors, Soldiers and Airmen could not extend its beneficiary class to include ex-service women. The 1981 Select Committee recommended that

"the Government should give active consideration to intervening in this matter, whether legislatively or otherwise".

The House will wish to know that a separate trust has now been set up, which enables disabled ex-service women to have their own wing at the home.

The Select Committee also urged that the rebuilding of the military corrective training centre at Colchester be completed as expeditiously as possible. I am glad to tell the House that the rebuilding of the detention quarters at the MCTC was completed at the end of May this year.

The Committee rightly highlighted the potential danger to the armed forces of the rising tide of drug abuse observable elsewhere. While there is no sign that drug abuse is a major problem in the British armed services, the House can be assured that the prevention of drug abuse in the armed forces is taken extremely seriously. I and my ministerial colleagues in the Department are personally closely involved in that issue, and additional preventive measures are now being taken.

In March this year we set up in the Department a tri-service drug abuse prevention group both to monitor and to make recommendations on further improvements in the prevention and the detection of drug abuse. A new tri-service drug abuse prevention film is in the final states of completion, and all three services are strengthening their drug education programmes and reviewing their guidance on penalties for drug abuse.

In the Department and in the services themselves we take the view that drug abuse in any form is subversive to discipline and morale, totally incompatible with the formidable responsibilities that every individual in the services assumes, and cannot be tolerated. We shall spare no effort to ensure that the cancer of drug abuse does not take a hold anywhere in our armed forces.

Dr. Norman A. Godman (Greenock and Port Glasgow): I listened sympathetically to what the Minister said about drug abuse, and detection and prevention of that form of abuse. Are similar measures being taken vis-à-vis alcohol abuse? It is my view that, in civilian life, alcohol abuse is a greater problem than drug abuse. I wonder whether that is so for the armed services, too. If it is, what preventive measures are being taken?

Mr. Stanley: The Select Committee referred in its 1981 report to the problem of alcoholism, which is a matter that it has considered. I assure the hon. Gentleman that a close watch is kept on alcoholism in the services. Education on alcoholism is given as well. I am confident that it is a limited problem in the armed services.

Dr. Alan Glyn (Windsor and Maidenhead): While it is known that alcohol abuse in the services is at the moment limited, drug abuse was also limited 10 years ago. Is my right hon. Friend aware that this problem could affect many more than it now affects?

Mr. Stanley: I take note of my hon. Friend's warning. I assure him that as I go round the services — hon. Members on both sides of the House who spend time with the services will endorse this — I notice that there is a great awareness of the dangers of alcoholism. The overwhelming majority of service men and women realise that the fitness that is required in the services and the training and fitness required for the battle fitness test means that someone with a strong propensity for alcohol would not do well in his service career. The service environment ensures that over-indulgence in alcohol would be a painful thing for someone doing the everyday jobs.

The annual debate on the continuation order inevitably tends to highlight the sectors where breaches of discipline may occur — the two interventions that we have heard show that. However, as the House recognises, the British Armed Forces are conspicuous not for breaches of discipline but for adherence to it. This is because our service men and women recognise that service discipline is a critical protection for themselves in the highly skilled, often fast-moving and sometimes dangerous work that they do. Anyone who is lax, disorderly, dishonest or disobedient is a serious liability. The service discipline Acts are a vital protection for those who serve in armed forces, and I commend the order to the House for approval.

10.22 pm

Mr. Kevin McNamara (Kingston upon Hull, North): I join the Minister in congratulating the SSAFA on its centenary and the work that it will do with young offenders and the mentally disturbed.

The right hon. Gentleman passed over one point rather quickly—the renewal of the Act, which must take place by 31 December next year. The Bill will have to be published early in 1986, if not before Christmas, to enable a Special Select Committee to be appointed to look into the matter. I believe that it is one of the quirks of the House — perhaps quirks is the wrong word to use about this august body — one of the customs of the House that every hon. Member is entitled to serve on that Committee.

The Minister has given us a sign of some of the changes that might take place in that legislation, and some of the actions that the Government have taken on the recommendations made by the last Special Select Committee. In many ways, what he has announced is welcome. There are no state secrets in this matter, and the Secretary of State for Defence is a believer in open government — hence his announcement of the Crickhowell decision yesterday rather than in a week's time. In the interests of open government, it would be helpful if the House could see the papers going around the Department on a variety of matters that are likely to appear in the new Discipline Act. These are not state secrets but will be discussed. There might be contrary opinions, but

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we all want the good welfare of and discipline in the armed forces, and it would be helpful to have some ideas of the discussions that are taking place.

We have been given an idea how the Government have met some of the Select Committee's recommendations. There were other recommendations, however, and it would be helpful to know why the Government are not able to accept some of them and why they have taken a given course of action.

I welcome the Government's decision to establish a special trust to deal with the disabled and wounded at the Star and Garter home. There was an anomaly and I only regret that it was not possible for the Charity Commissioners to find some way in which to amend the trust that established it rather than the Government having to establish a special trust, because there is still a distinction which I should have preferred not to exist.

We must also welcome what the Minister said about the SSAFA report. The Select Committee said that its terms of reference did not allow it to take evidence outside the United Kingdom. That Committee would have liked the opportunity at least to visit Germany to see conditions there and to talk to people of all ranks involved. The largest proportion of our armed forces abroad are in Germany and they face some of the most difficult problems. I hope that the Government, when establishing a special Select Committee, will enable it to take evidence outside the United Kingdom.

As for the role of SSAFA, we must welcome the decisions that have been made, especially with regard to young offenders. I am not at all certain what the role of the SSAFA welfare officer will be. I am not clear about his legal position or the status of his report. To what extent is it privileged? Is he completely analogous to a welfare officer who gives a report to a civilian court? Will he be properly protected?

The Minister said little about morale in the services, but discipline and morale go hand in hand. A force with high morale is well disciplined and, in those circumstances, we should have to have no recourse to these Acts. We know from what has been reported to us, however, that morale has suffered quite a blow in the past few years. The outflow is greater now than for some time and increased by more than 8 per cent. this year over last year. The outflow for some ranks is as high as 10·7 per cent.

The Government might tell us—they frequently have —that, compared with the Labour Government, they are restricting the flow. The Government have now been in power for six years, so they are now responsible for the outflow. It is remarkable that, to save £17 million, the Government are prepared to lose two Harrier trained pilots who cost £200 million in terms of training, service and input. Those figures are not mine but appeared in the *Daily Telegraph*. The straight training of a pilot officer can cost £3 million. We need to lose only three replacements and £17 million has gone. Moreover, overseas allowances are being swallowed up. It was a case of the Government saving the candle ends and losing the whole electricity supply, when they took that decision. It has caused morale at all levels to fall. Some Conservative Members have tried to argue that if the forces had learnt about the decision in a different way — if the commanding officer had learnt about it and told his men differently — morale would not have fallen. It is a real blow to morale to get a wage cut.

It is not fair to regard the allowance merely as a straightforward cost of living allowance—it is more than that. It is compensation for serving abroad, and meets the additional expenses incurred living abroad, such as the extra cost of returning home for a single service man, telephone calls to the girlfriend, and extra presents taken home for mother and father. Those matters are all real, and increase expenses. Single service men, especially single privates and leading aircraft men, have suffered most from the cuts in Germany, and it is affecting their morale. Hon. Members on both sides of the House who have been abroad and visited the troops have all returned and said that that matter is rankling the forces. They are extremely upset about it.

If there had been a by-election in Aldershot, instead of in Brecon and Radnor, the cuts in local overseas allowances would not have been made, in an attempt to preserve the Army vote. I am not wishing that the hon. Member for Aldershot (Mr. Critchley) should have to fight a by-election. It is interesting that now that the Prime Minister is safely ensconsed in Milan, he felt it safe to go again to the Members' Dining Room for a meal.

I wish to turn to the question of drugs, which the Minister raised. The whole House will welcome the steps that have been taken, especially because when we last raised the matter in the House the Minister seemed to cast the figures for drug abuse lightly aside when he referred to them as microscopic. We now have a special unit which, I presume, will base its experience on the successful work in reducing drug abuse in the Royal Navy. I should like to know the numbers engaged in that work within the tri-service unit. Are there any special corps of the respective police forces of the armed forces involved in it, designated specifically for the purpose of chasing drug offenders and preventing drug pushing? That is especially interesting regarding Germany where there is easy access to drugs which come to northern Europe, especially through the Dutch ports. What is the cost of the unit? I believe that the Select Committee will want to look at that in considerable detail when it investigates these matters because that matter engaged its attention last time.

In replies to my questions no distinction has been made between hard and soft drugs, and their abuse in the services. It would be interesting to know whether the new units will concentrate their efforts first on preventing hard drugs and then on educating service men out of the abuse of soft drugs. We welcome the decision that has been taken.

That, to a certain extent, finishes my words of congratulation. During the past year there has been an enormous volume of matter and detail, which the new Select Committee will want to study, but which should be mentioned as the House has not yet had a proper chance to discuss it and, therefore, hon. Members have not received answers to any questions that they may have. The first is the suggestion in some of today's newspapers—I do not wish to go into the merits of the case—that there was a slackness in procedures when dealing with the spy case. The NCO who gave evidence admitted that he had not kept a full check when men were taken out for interrogation by the special branch. I do not suggest that anything untoward happened, but the fact that records were not kept must be examined, because it is important

in all cases to pay meticulous attention to detail in the procedures followed, not only in the interests of the accused but in the interests of the men who look after prisoners.

Secondly, this has been a remarkable year for lost documents. Documents have been found in rubbish heaps and have fallen off the backs of lorries, and now we hear of documents being stolen from the home of a rear-admiral. Will disciplinary proceedings be taken against that rear-admiral for having some restricted documents in his home, or were they documents that he was allowed to take home? These are important matters, because we can perceive a general air of laxity. The documents that were found on the rubbish heap contained details of Tornado servicing. The documents that fell off the back of a lorry contained naval secrets. Some restricted papers concerning Trident were stolen from the home of a rear-admiral. I am sure that the Select Committee will wish to examine those matters. I do not expect precise answers to those queries, but I believe that the Minister should be aware of the anxiety that has been caused.

This year, we had an interesting change in Queen's regulations, which did not have to come before the House, extending the curb placed upon members of the armed forces to join movements or take part in marches. That seemed to restrict considerably the political activities of members of the armed forces. I do not suggest that service men should parade round in their uniforms demanding the removal of the Prime Minister. But there should be opportunities for service men to take part in normal marches and demonstrations. They should not be disciplined, as citizens — albeit special citizens — for taking part in normal political activities. What if there was a demonstration against the loss of housing benefit—a matter which we discussed in the House earlier today? Would that be regarded as a movement or a march in which a service man could not participate without fear of disciplinary proceedings? We must examine the new restrictions that have been placed on free discussion and free participation in political activity, in addition to the rigorous rule that has existed until now.

This year, we have also seen the development of pink and yellow cards. The pink card is given to service men serving at Greenham or Molesworth, and wherever we store missiles or other weapons, enabling them, in certain circumstances, to shoot at unarmed fellow citizens of the United Kingdom. Those cards have a restricted legal value. For example, in Northern Ireland the yellow card has been regarded as a policy document, not in any way as the conclusive defence of a soldier. The issue of such cards has made the Army more an instrument of government than an instrument of an objective state.

It is possible, under many of the regulations, for such matters not to be properly examined, because they do not conform with the old common law procedures, which allowed troops to be used to quell civil disturbances only at the request of a magistrate. The matter could always be examined in the courts. The new proposals in these documents can give a false sense of security to the service man involved, who might believe that he is protected by the regulations and the advice given on the cards. That defence would not stand up in court.

Secondly, it might be used as an excuse or justification for action which otherwise would not be permissible. There are two different ways of looking at the problem which is a difficult one for the troops. We must study it carefully, because pink cards are also issued to American service men. They are not bound to carry them as our service men are, nor are they subject to our courts as our service men are.

There have been some recent incidents in Northern Ireland where it seems that the yellow card procedure has been completely ignored. I do not wish to develop that matter further, because those incidents are still before the courts. They are matters which cause anxiety.

I should like to deal with some of the discipline problems that arise from the visiting forces legislation. There has been an increase in the number of foreign forces. They are not subject to our common and civil law, as our armed forces are. That requires careful re-examination. I hope that that is something to which the Government can agree. It is time to re-examine the Visiting Forces Act 1952. It might be something for the Select Committee on Defence to study. It is a matter of contention. The British soldier is put at a disadvantage compared with a visiting soldier.

There are other interesting discipline matters. There is the strange position whereby the mark 19 automatic grenade launcher, which can fire a ball of steel through an inch of steel at two miles at 350 rounds a minute, is being deployed at Greenham common. The Under-Secretary has said that it is a standard infantry weapon for use against armed attack. We have been told, however, that our troops, subject to our discipline, are responsible for the perimeter fence at Greenham common, and Molesworth. We have had the splendid example of the Secretary of State wearing his first and only battle honour on his flak jacket at Molesworth.

There is the problem of the use of those automatic grenade launchers by the United States army. Why do they have 19 of them at Greenham common? If they must be there, why are they not controlled by and under the discipline of the British armed forces? They are infantry weapons to be used against armed attack, but who are they going to be used against?

Mr. Bruce George (Walsall, South): I appreciate my hon. Friend's anxiety. Although he may be opposed to the siting of cruise missiles in this country, is he not reassured that if anyone tries to raid or gain control of those nuclear weapons, such as the Spetsnatz, about whom we have heard a great deal, they can be repelled? Would he like to see the boy scouts guarding nuclear establishments? Whether or not one agrees with nuclear weapons and cruise missiles, it is important that if sensitive nuclear weapons are potentially available to terrorists or a major enemy, I find it reassuring — that they are properly guarded.

Mr. McNamara: The Front Bench is always grateful for my hon. Friend's support on these matters. The issue is who controls those weapons. I was going on to argue, had my hon. Friend let me continue — in my usual courteous way I was prepared to give way the moment that my hon. Friend raised himself to this feet—about from whom those weapons were going to protect us. They will not protect us from an airborne attack or from the special manoeuvre group troops. The only people from whom they can protect us are the Greenham women.

I see no reason why those arms should be in the hands of American personnel who have no responsibility for the defence of the perimeter rather than in the hands of the

[Mr. McNamara]

British Army or the Royal Air Force regiment. That means that we have no control over them. We want to know why they are there and why 19 of them are needed with a capacity of 350 rounds per minute, which rounds are capable of going through an inch of steel at two miles. If I lived in any of the surrounding villages I should be a good deal more worried, consciously at any rate, about those weapons getting into the wrong hands than about the cruise missiles getting into the wrong hands.

Mr. Deputy Speaker (Sir Paul Dean): Order. I think that the hon. Gentleman is straying somewhat from the motion, which relates to terms of service, discipline and punishment in the armed forces.

Mr. McNamara: I was considering the discipline to be applied and the distinction between United States and British personnel in the use of these weapons. Why are they treated differently not just in terms of the orange card but in terms of the weapons issued to them?

At the time of the increase in wages and the cut in overseas allowances, the Government were criticised for being more interested in money and efficiency than in man management and contented forces. The Ministry of Defence responded to that criticism by claiming that a parcel of measures designed to improve terms and conditions of service, living conditions and general morale had been knocked on the head by the Treasury. *The Daily Telegraph* stated:

"A package of improved 'conditions of service', strongly advocated by the Defence Ministry, has been under protracted and sterile negotiation with the Treasury.

In failing to implement any of these measures, along with the pay increases, the Government lost a major chance to show goodwill."

We are prepared to support the Government in showing good will to the armed forces. We should therefore be happy to know what was in that package to which the Treasury took such exception. What was in the package which made it impossible for the Treasury to agree to such a gesture of good will? If the Minister will tell us, we shall be happy to support him in fighting the Treasury to obtain that package for our armed services.

It may be, of course, that there was never any such package and that the claim was no more than a smokescreen put up by the Ministry of Defence to defend itself against accusations from all parts of the House that morale in the forces was very low indeed, as those of us who have visited them know.

10.48 pm

Dr. Alan Glyn (Windsor and Maidenhead): I am pleased to follow the hon. Member for Kingston upon Hull, North (Mr. McNamara), as I know that in his heart he is a great supporter of our armed forces and all our service capabilities.

I was interested to hear the hon. Gentleman's comments about the loss of documents. We must all be concerned about any possible leakage. I am sure that my hon. Friend the Minister agrees that any such loss, no matter how small, must always be treated as a very serious matter. However apparently insignificant a document may be, it could nevertheless be of value to the enemy in piecing together the jigsaw.

I do not agree with the hon. Gentleman that the services should indulge in political activities. They should remain aloof from politics and serve the Government, be it a Conservative, a Labour or any other Government, and not meddle in politics. I agree with the hon. Gentleman that the legal position of the orange card ought to be defined. I do not know what power it confers. Perhaps my hon. Friend the Minister of State for the Armed Forces could tell us.

I know that the hon. Gentleman's party is worried about the role of the visiting forces, but the important question is not who owns but who protects the cruise missiles. The hon. Gentleman put his finger right on the matter when he asked who is responsible for guarding them. I am not concerned about the niceties of the position of visiting forces but about whether we are sufficiently cognisant of the responsibility that is placed upon us to ensure that those weapons are properly guarded and are not activated without our authority. It is a very grave responsibility.

I welcome the hon. Gentleman's remarks about SSAFA's centenary. It renders a unique service to service men and to their families. The whole House is united in the hope that SSAFA will continue its good work for another century. It does not seek publicity, but it is always there to provide a service, and service men acknowledge its value.

As for service discipline, it has never been higher. The hon. Gentleman referred to the 8 per cent. of service men who have left the Armed Forces, but that does not affect discipline, or the service that they render. Service discipline remains intact.

I welcome my hon. Friend the Minister of State's reference to young offenders. We realise that these young people face great difficulties. I welcome also the attack upon drug abuse by the Ministry of Defence. I think that alcohol abuse could also be a problem in the future, and I am glad that my hon. Friend said that this problem is already being tackled.

The hon. Member for Kingston upon Hull, North referred to the loss of the service man's overseas allowance. The Government may be open to criticism because the commanding officers were not given sufficient time to put this over to the men under their command. Perhaps we may be guilty, but nothing in life is perfect.

Mr. McNamara: I was not suggesting that the fact that the commanding officers did not have the opportunity to put it across properly meant that the matter was justifiable or that that was a suitable excuse. I was arguing that it was wrong for the Minister to advance that as a reason why it was taken so badly. I was simply saying that a wage cut is a wage cut, and that was the way it was faced.

Dr. Glyn: Perhaps I misunderstood the hon. Gentleman, but I am sure that my hon. Friend will answer that point. I apologise if I did misinterpret the hon. Gentleman. I thought he expressed the view that I take —that this was looked upon as a cut and that adequate notice was not given to commanding officers to explain the situation. I am sure my hon. Friend will touch on that important point which affects army discipline.

I note what was said about the Disabled Trust. We ought to have done this many years ago, and I welcome any movement in that direction.

The hon. Member for Kingston upon Hull, North mentioned the rebuilding of the barracks. I also represent a garrison town, and I have a particular interest in the rebuilding of Victoria barracks, Windsor.

I know that the Government are doing everything they can to speed this up. I appreciate that there are certain difficulties, but it is not on for soldiers to change in a barracks and then to go on parade. If our soldiers are to perform the functions required of them in Windsor, it is important that those barracks are rebuilt as swiftly as possible. There are technical difficulties which the Government must overcome — for example, there are great problems with regard to the Property Services Agency — but this rebuilding should take place at the earliest possible moment. I have had tremendous co-operation from my hon. Friend's Department. I hope that will continue so that we can ensure that the barracks are rebuilt.

This is a discipline matter, because the conditions under which our soldiers are asked to operate will in the long term affect the desire of people to serve in the brigade.

I welcome many of the things said by my hon. Friend and reiterated by the hon. Member for Kingston upon Hull, North. Never before in the history of our nation have our services been called upon to play such a difficult role, under difficult conditions, in so many parts of the world. That involves the use of sophisticated weapons, and our forces are discharging those duties with great distinction. I wish them well in the future.

11 pm

Dr. Norman A. Godman (Greenock and Port Glasgow): My practical experience of military discipline is severely dated. It is many years since I served with the Royal Military Police, but, like many hon. Members, I continue to take an interest in the wellbeing and welfare of the personnel of the armed forces.

Like the hon. Member for Windsor and Maidenhead (Dr. Glyn), I am concerned about alcohol abuse, but I was somewhat reassured by what the Minister said about this form of addiction. I believe I am right in saying that the Minister's Department has statistics which detail the number of members of the armed forces who have been proceeded against for offences relating to drug abuse. The Minister may also have statistics of those who have been dismissed from the services because of drug abuse. Does the Minister's Department have any statistics of those who have been proceeded against or dismissed from the services for alcohol abuse or offences brought about by alcohol abuse?

I, too, welcome the involvement of the professional welfare officers employed by SSAFA to deal with what with in civilian circumstances one would call social background reports. These welfare officers, in some instances, have to work with social work departments and other civilian agencies. It certainly is a step forward.

If we have highly efficient disciplinary procedures, it is essential that we also have a humane grievance procedure, which I believe in the main we have in the armed forces. I wish to ask the Minister about the counselling that members of the armed forces receive when, perhaps for medical reasons, they have to leave the forces unexpectedly early. Had it not been for the absence of my secretary—and it was not without leave—the Minister would have received a letter today concerning a constituency case. A letter is on the way to the Minister.

A young lad in my constituency who was serving with the Parachute Regiment was dismissed from the forces because of a medical complaint. This confused, bewildered young man came to my surgery last week, wondering what he could now do in civilian life. From what he said to me under my questioning, and with my military experience, albeit outdated, I was left with the impression that this young man had not received much counselling or, if he had, that it was of the most perfunctory kind. If that is the case—and, in fairness to the Minister, he does not have the details yet—it is a matter of deep regret.

We need an effective disciplinary code for those who serve in the forces. At the same time, a human grievance procedure is required. As part of that procedure—and I define the word grievance widely, with which I think the Minister will agree—it is important that those who have to leave the armed forces unexpectedly early and involuntarily should be afforded the courtesy of effective and humane counselling in order the better to equip them for the changed circumstances with which they are faced.

11.4 pm

Mr. Stanley: With permission, Mr. Deputy Speaker, I shall reply to the comments that have been made during this brief debate.

The hon. Member for Kingston upon Hull, North (Mr. McNamara) devoted much of his speech to comments on morale in the services. I do not in any way contest his comment that, over the past two years, there has been an increase in outflow from the services and in the number who are exercising their right to premature voluntary exit. I must repeat the points that I made in the recent debate on the Defence Estimates. That increase has taken place from a record low level over the past 10 years. The rate of premature voluntary exit from the services is barely more than half the rate during the last two years of the previous Government when it was at an all-time high for the previous 10 years. The position now is altogether much more healthy than at the end of the period of the last Administration.

This Government, unlike their predecessors, have a good record in fulfilling the recommendations of the Armed Services Pay Review Body. We have not allowed service pay to fall behind those recommendations in the way that was done under the previous Administration. We believe that, whatever the disappointment that those in Germany felt about the last LOA review, our service men and women in Britain and overseas are confident that in the present Government they have a Government who, are trying to give service men and women a fair deal in relation to the recommendations of the independent Armed Services Pay Review Body.

I understand the degree of disappointment that was felt when the LOA settlement was announced, but I must repeat what I have said previously: the LOA system operated by the present Government is, in essence, exactly the same system as was operated by our predecessors. It is a system to give compensation for the differences in the cost of living between this country and the places overseas where our service men and women are asked to serve. Where that cost differential narrows, it is inevitable and inescapable that there will be reductions in LOA, just as where there are widenings in that disparity, it is inevitable and inescapable that LOA will be increased. I must stress that in the same cycle of reviews in which LOA in Germany went down, in many other places it increased. That was very much welcomed by the service men concerned.

I refer the House to the full and excellent description that was given of the reasons for the last results of the LOA review in Germany by my hon. Friend the Under-Secretary of State for Defence Procurement in his reply to the Adjournment debate on 20 May.

Dr. Glyn: We all understood the reasons on 20 May. The reason why an earlier announcement was not given to the commanding officers has not been explained. It is difficult for soldiers to understand the complexity of these arrangements. When LOA increases, they are delighted. When it decreases, they are disappointed. The reasons for the fluctuations have been well set out, but why were the commanding officers not given longer notice to explain to their men exactly why this settlement had to take place?

Mr. Stanley: I accept my hon. Friend's point. We shall look again at the mechanics of the way in which the results of LOA reviews are made public. In an area as large as Germany, there are large numbers of units and at any one time many men are out of the barracks training, and so on. Immediately the LOA result is posted on unit notice boards, the announcement goes public over the British forces broadcasting network in Germany and, naturally, becomes an immediate subject of interest to the media. It

is inevitable, because on the day the notice is posted there will be many people out of barracks on exercises, and so on, that quite a number of them will hear through the instantaneous media, but I take my hon. Friend's point. I have looked very closely at how that particular announcement was handled this year and as and when the next LOA review takes place we will see whether there are lessons to be learned.

The hon. Member for Greenock and Port Glasgow (Dr. Godman) referred to my comment about the attack we are making on drug abuse. He asked whether the new group is going to concentrate on hard drugs. The remit of the group is to look at all drugs right across the board—hard and soft, and solvent abuse as well. As part of the close attention which we are paying to this subject, we are refining and somewhat extending our statistical work and seeking to provide ourselves with better centrally held information on the types of drugs that are abused so that we have a proper, informed basis for further work and have details of the types of drugs that appear to be the main threat.

The hon. Member for Kingston upon Hull, North also referred to the question of the rules of engagement cards. I cannot agree with the construction that he put on the cards in use by service men in the United Kingdom. The cards follow basically the same policy as has been followed for many years by successive Governments, and are wholly consistent with the policy of minimum force which successive Governments have accepted. The Select Committee on Defence has recently carried out a very rigorous and detailed study of the security of military installations in the United Kingdom. It has had copies of the rules of engagement cards and evaluated them very closely. Its conclusions on these cards certainly did not in any way bear out the construction which the hon. Member placed upon them.

The hon. Member referred also to the Visiting Forces Act 1952, as did my hon. Friend the Member for Windsor and Maidenhead (Dr. Glyn). There, too, I felt that the construction which he placed upon that legislation was seriously at variance with the legal reality. The suggestion that United States service men are wholly outside the ambit of the process of law in this country is simply incorrect. I would refer him to an excellent and definitive description of the legal construction that should be put on the Visiting Forces Act that was given by my hon. Friend the Under-Secretary of State for the Home Department in the detailed speech which he made on 19 December 1983. It would be well worth while those interested in that legislation referring to that speech.

I would remind the hon. Member that the Visiting Forces Act which applies to our own country reflects an agreement between the members of NATO, a number of whom agree to have the forces of other countries stationed on their soil—not least, of course, ourselves. The legal position that United States service men enjoy in this country is in broad terms exactly the same as that which our own service men enjoy in Germany. That is something with which we are entirely content.

I would like to endorse the comments which my hon. Friend the Member for Windsor and Maidenhead made about the very demanding tasks that are placed upon members of the armed forces and the very creditable way in which they carry out those tasks.

My hon. Friend also referred, as did the hon. Member for Kingston upon Hull, North, to certain incidents involving the loss of documents. I assure the House that the loss of any classified document, whatever the level of classification, is a matter of concern that is always investigated in great detail, and we do our best to seek the lessons that are to be learnt.

In the size of the organisation that the Ministry of Defence runs, the weight and volume of such documentation is enormous. For the transit of that documentation, we are in many cases dependent on the services of others who, by and large, work well for us. The hon. Member for Kingston upon Hull, North referred to some classified documents falling off a lorry. In fact, they fell off a post office van. That is being investigated carefully by the post office, and the lessons in that case will have been learnt.

I was sorry that the hon. Member for Kingston upon Hull, North chose to jump to instant conclusions, and to make his remarks on the record, about a report that appeared in the newspapers today about the loss of a classified document from the home of a particular senior officer. The hon. Gentleman, without informing himself properly of the facts, said that that officer should be disciplined.

I wish to make it clear that the officer concerned suffered a burglary of his home in which he lost a considerable number of personal possessions — the House will feel sympathy with him over that—and I am advised that only one document of the lowest possible restricted level of classification was taken. That one document was held in his home perfectly properly and correctly, under the normal rules, by the officer concerned. Therefore, the suggestions that the hon. Gentleman made were without foundation, and I am pleased to put that on the record.

This has been a useful and wide-ranging debate, and I hope that the House will now feel it possible to reach a conclusion on the order.

Question put and agreed to.

Resolved,

That the draft Army, Air Force and Naval Discipline Acts (Continuation) Order 1985, which was laid before this House on 11th June, be approved.

EDUCATION

Motion made and Question put forthwith pursuant to Standing Order No. 79(5) (Standing Committees on Statutory Instruments, &c.)

That the draft Education Support Grants (Amendment) Regulations 1985, which were laid before this House on 23rd May, be approved.—*[Mr. Peter Lloyd.]*

Question agreed to.

ANIMALS

Motion made, and Question put forthwith pursuant to Standing Order No. 79(5) (Standing Committees on Statutory Instruments, &c.)

That the draft Deer (Firearms etc.) (Scotland) Order 1985, which was laid before this House on 3rd June, be approved.—*[Mr. Peter Lloyd.]*

Question agreed to.

Fairground Safety

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Peter Lloyd.]*

11.18 pm

Mr. Piers Merchant (Newcastle upon Tyne, Central): I am grateful for the opportunity to raise the subject of fairground safety.

This has become a matter of wide public concern. It is of direct concern to every parent, for while every child loves a fairground, regrettably, every child is also a potential victim of tragic accident.

It is a matter of concern to Government, too, in framing safety requirements under the law, and I take this opportunity to compliment the Minister and his predecessor on the keen and positive interest that they have shown in this area of safety. I know that the Minister intends to keep the whole matter under review, and I hope that he will give serious consideration to the continuing concern of myself and many others. The subject is equally of interest to many right hon. and hon. Members, many of whom have had to deal with the aftermath of tragedy in their constituencies. I am particularly pleased to see my hon. Friend the Member for Chichester (Mr. Nelson) here, because I know that he has a particular interest in the subject, and I understand that he generally thinks along the same lines as me.

I congratulate the Health and Safety Executive and its team of inspectors on stepping up their work on fairground safety, particularly on the thorough work that they did this week at the Newcastle Hoppings, about which I shall say more in a moment. I recognise, too, that the showmen involved have a vested interest in safety. Of course, they do not want accidents on their rides. They want to entertain, not cause misery. They want credibility, not public boycott. And naturally, they want to earn their living.

The Showmen's Guild of Great Britain has shown an admirably positive attitude towards safety. Together with the Health and Safety Executive, it has within the past year, implemented the new safety code, and is carrying out a valuable self-policing role. I pay a particular compliment to the Showmen's Guild national president, Mr. Whiteleg, who earlier this week travelled to Newcastle to meet me at the Hoppings so that we could together tour the site and examine safety in practice. We saw the log books that are now being kept by operators under the voluntary code of practice. We looked at the machines that were being run and at the safety measures that were recently introduced to make the various items of machinery more effective. Mr. Whiteleg is a genuine man, with honest purpose. If all showmen were as reliable, there would be fewer acccidents, and the voluntary code could be relied upon to be 100 per cent. successful.

Unfortunately, however, not all the showmen are as honourable as Mr. Whiteleg. Let me quote the words of Mr. Rodney Harrison, managing director of Harrison Brothers Amusements, who comes from the north-west of England. In an interview earlier this year he said:

"It's time somebody spilt the beans on a small rotten core within the industry. A few of them are getting away with murder under the present system of inspection. Faulty machines are camouflaged. I've done it, everyone's done it. I know for a fact that when the inspector arrives to check the safety of a fairground half the rides have parts missing, but if the inspector can't see inside the mechanism of a ride then he can't check it properly. There are lots of good people in the business but the rotten core, perhaps 5 or 7 per cent., have their activities covered up."

This week, in the centre of my constituency, on a 26-acre site on Newcastle town moor, has gathered Europe's largest travelling fair, known locally as the Hoppings. I welcome the fair. I welcome the fun and enjoyment that it will give to many in my area whose daily lives may be dreary and dull. I welcome the business that it brings to the many small businesses that have shows, rides and stalls, many of them local, others travelling from a distance. I am glad that this year has been largely accident-free.

Last year a 17-year-old girl, Julie Pearce, was trapped by her foot on the Superloop, a huge contraption that sends cars at incredible speed up to 60 ft or 70 ft above the ground and then down again. She was swung round by that machine and eventually flung out, falling 60 ft from the top to the ground. She is still in hospital 12 months later, having suffered multiple injuries. I am glad that she is now fast on the mend. It is a miracle that her life was spared.

Four weeks ago there was another accident in the north-east. A few miles from the Hoppings is the Spanish city at Whitley Bay on the coast. There a 12-year-old girl was killed and three others injured when the bolts on the safety harness of a machine called the twister sheared off. On 2 June this year, six people were hurt, two seriously, at Wolverhampton when the phantom chaser collapsed. On 6 May 19 were hurt, 14 treated in hospital, all children, when the chairoplane went wrong at a fairground at Felixstowe. On 27 April this year 17 were hurt, all aged between 11 and 16, at Dover when the "lifting paratrooper" collapsed. These are all fairly major incidents that have happened in the past three months.

In the past five years, according to the reply given to me by my hon. Friend the Under-Secretary, accidents causing major injury have trebled—from 13 in 1980, there were 20 in 1981, 23 in 1982, 28 in 1983 and 38 in 1984—a constant increase year on year. Over the past eight years, 25 deaths, 158 major accidents and 283 minor injuries have been recorded.

These figures do not show everything. They do not catalogue all the minor injuries and near misses. I shall quote a letter that I received this morning from a concerned mother:

"On Monday this week I went with some members of my family to the Hoppings on Newcastle Town Moor, and I accompanied my 3½-year-old son on the dodgem cars. A notice asked customers to ensure that children wore the safety belts attached to the car . . . I made quite certain Tim was wearing his properly. Unfortunately it wasn't enough to prevent a really rather nasty bump to his head, when our car and another collided. Tim was jolted forward and his forehead banged against the steering wheel. He cried for some time from pain and fright, and we got first aid from the St. John Ambulance on the site, but I'm glad to say it comes under the heading of 'minor injuries'. What concerns me, however, is that I feel it could have been avoided. The belt was not adjustable to take into account the quite marked variation in sizes and ages of children, and it was the great degree of slack left in the belt that allowed Tim to be virtually unrestrained in it.

" As a mother of three children, I know bumps and scrapes are part of childhood, and I know parents have responsibilities themselves to assess risks and hazards. However, with regard to dodgems (a tremendous favourite with even very young children of three and four) I feel that belts should be adjustable, or parents should somehow be informed of the risks involved to small children whose heads are level with the steering wheel. I hesitate to suggest 'no under-fives allowed', but I wonder if we were lucky in Tim escaping with only a painful bump. How common are broken noses, jaws, teeth and so on?"

One can tell from the tone of that letter that the writer is a responsible mother, and not prone to exaggeration or undue concern. One is aware that in this accident the bump was minor, but head injuries, by their nature, can easily become serious injuries. She makes a valuable point about safety instructions and gaps that still exist in safety procedure.

I hope that the examples that I have given illustrate the severity of the still remaining problem. I have said that the Health and Safety Executive has tried hard to tackle the problem within the existing framework of the law. It now has the voluntary code of practice that has recently become applicable. It is also carrying out more inspections than ever before.

However, the executive faces a number of problems. First, the law is vague. The Health and Safety at Work Etc Act is so general when it comes to applications to fairground sites that it is often extremely difficult to secure a prosecution. Both the law and the voluntary code lack teeth. Then there is also the pressure of time and work on the executive. The factory inspectors did better than ever before in the last year, but they were still able to carry out visits—single visits normally—to only 25 per cent. of fairgrounds. To put it the other way round, three quarters of all fairgrounds were not visited.

Under the law, there are no mandatory requirements for the Health and Safety Executive to inspect at regular intervals. There are no clear, defined legal requirements on safety harnesses, how they should be contructed, where they should be sited. There are not sufficient legal requirements on designers and manufacturers, on testing of equipment before it comes into service or on giving a type approval to new fairground machinery, often the source of the accident statistics.

The fact remains that the absolute duties under the Health and Safety at Work Etc Act that apply to a factory do not apply in the same way to fairground sites. Fairground sites nevertheless attract many children and the atmosphere is much riskier than the workplace or factory.

Even under the voluntary code, doubts have arisen about the nature of inspections and sometimes about the type of inspector selected. Because the code is voluntary and the onus is on the machine operator or fairground to choose the inspector, there are cases of inspections being done by people with few qualifications in machinery and engineering.

There are obvious shortcomings with safety harnesses. On Monday, when I visited the Hoppings with my 15-month-old daughter, I was encouraged to get on a rocket-shaped vehicle that goes round in a circle and goes up in the air when the passenger pulls a lever. It is a fairly old machine—I remember going on it when I was a child. It has an open cockpit out of which it would be extremely easy to fall, especially for a youngster who was in the wrong position while whirling around. As it moves fairly high above the ground, someone who fell out at speed could suffer serious injury. There was no safety harness in the machine and the operator was not aware of any safety risk. That shows that there is a long way to go on educating machine owners and operators.

The partnership between the Health and Safety Executive and the Showmen's Guild of Great Britain has operated well, but it could be developed so that there is a closer partnership because, ultimately, self-policing is the best answer. There must be a clearer framework for education into better attitudes and more awareness of safety so that showmen, who are brought up in a rather free atmosphere can be persuaded to think more in terms of safety requirements such as are found elsewhere.

We must give the law more teeth in regard to inspections, their frequency and who does them. There should be safety harnesses and we should consider type approval of machinery at the design stage. Such matters cannot be left to voluntary good practice. I hope that I would be the last person to encourage unnecessary laws, but legislation must be considered in this context. I hope that my hon. Friend the Minister will investigate that possibility and that change might be made by simple amendment, perhaps to the Health and Safety at Work Etc Act 1974, setting out responsibilities for showmen at fairgrounds.

I know that my hon. Friend the Minister is also worried about fairground safety and that everyone who is involved in what is now a sensitive area wants to do what is best for children, who need watertight protection from risk, for owners and operators and for the general public, as we are all involved with fairgrounds at some stage. I am confident that my hon. Friend will keep the matter under review and I hope that he will find it possible to tighten up present requirements. I look forward to hearing his response.

11.35 pm

The Parliamentary Under-Secretary of State for Employment (Mr. Peter Bottomley): It is a convention when Ministers reply to Adjournment debates to congratulate the Member who initiated the debate. In this instance, I congratulate sincerely my hon. Friend the Member for Newcastle upon Tyne, Central (Mr. Merchant) on bringing the subject of the debate before the House and on the constructive way in which he has described what has been done. He has described some of the failings, which are clear, and made some useful suggestions for my consideration and that of the Health and Safety Executive and the Health and Safety Commission.

I pay a special tribute to my hon. Friend for the way in which he has done his homework, as it were, and for having taken the trouble to give the Showmen's Guild of Great Britain the chance to discuss with him what has been done.

I realise fully that every accident has its impact on the families concerned. Without reciting a list of accidents, I hope that my hon. Friend will convey my best wishes to Julie Pearce and others who have been injured, and their families, this year and in the past as a result of regrettable incidents.

I speak with considerable feeling on this subject because I take seriously health and safety issues and for two other reasons. First, I look for every opportunity to emphasise that safety needs to be built into operations and not merely bolted on afterwards. Secondly, during my Easter and summer holidays as a student I used to work at Battersea funfair. I was not involved with the passenger-carrying rides and I do not think that I would qualify for membership of the Showmen's guild, but I have had experience of working with those who provide so much entertainment for so many. I hope that they continue to earn a good living by providing safe amusement for those who visit fairs, whether fixed or travelling.

I invite my hon. Friend to have further discussions with the Health and Safety Executive. Some of his suggestions

[Mr. Peter Bottomley]

are technical ones, and I should prefer not to make an off-the-cuff reply. It is important that they are given proper consideration and that interest and expertise is shared with my hon. Friend. I do not want to give my hon. Friend much hope that there will be an immediate change in the law. I am not saying that everything is satisfactory but I consider the framework to be so.

The House will know that the Health and Safety at Work Etc. Act 1974 was designed to avoid constantly changing the law on which it impinged. Instead, its aim was to impose overall duties. I shall quote from the foreword of the code of safe practice at fairs. It states that although the code does not itself have the force of either law or an approved code of practice, the Health and Safety Executive has instructed its inspectors to take it into account when considering whether there is compliance with statutory requirements. Failure to follow the guidance or other equally effective measures may lead to action by inspectors ranging from advice and warnings to the issuing of enforcement notices or even prosecutions, although ultimately it is for a court or tribunal to decide whether there has been compliance with the law.

I draw the attention of the House to appendix 1 on legal obligations, which spells out the parts of the Health and Safety at Work Etc. Act which apply. It refers to section 2, which is the general duty of employers to employees. Section 3 is concerned with the general duties of employers to persons other than their employees. Section 4 relates to the general duties of a person connected with premises. I commend the entire code to the House. I know that other hon. Members are interested in this issue and my hon. Friend drew attention to the presence of my hon. Friend the Member for Chichester (Mr. Nelson). I know that there are others who would wish to be here.

The experience of the new code of practice will determine whether there should be more law. Any one who has read it, or the guidance notes produced by the Health and Safety Executive on the "Octopus" and "Waltzer" rides, will have seen that practical experience is being used in drawing up the requirements. Anyone who believes that to ignore the code of practice or the guidance notes will leave him free from prosecution if he does something wrong or allows a dangerous position to develop, is wrong.

Fairs have a great part to play, and it is only during the past 10 years that they have come under formal health and safety controls. I, too, pay tribute to the trade associations which are powerful in the industry and which have co-operated in bringing the code of practice into operation. They and anyone who studies the industry will realise the difficult nature of the industry in that little equipment is standardised, there is a great variety of rides, and there is often little supporting literature.

Accident levels had shown the need for something tougher than the previous Home Office guidelines, which came into effect after the tragic major accident at Battersea fun fair in 1972. After the various sections of the industry and the health and safety experts were brought together, the code of practice was produced to provide something more explicit about the responsibilities. The Health and Safety Executive recognised that, if trade associations were able to contribute their expertise and if they supported the code, enduring improvements to fairground safety would be more likely. The code was published in 1984, and provides a comprehensive statement on what fairground safety requires. I emphasise that it incorporates the best known practice in the industry.

My hon. Friend mentioned statistics. There is little doubt about the number of deaths and major injuries. We are likely to have had far better reporting of the number of incidents and minor injuries during the past few years than previously. The industry's co-operation has provided more encouragement to people to declare what has been happening. I know from talking to inspectors that part of the reporting mechanism, where the Health and Safety Executive is advised of an incident which may recur on the same sort of equipment elsewhere, makes it possible to take unsafe machinery out of operation until modifications have been made or until it has been checked to see whether the ride can be operated safely.

At the launch of the code my predecessor and the chairman of the Health and Safety Commission said that compliance with the code's provisions would be monitored closely and enforced where necessary. The Health and Safety Executive organised an extensive programme of visits to fairs to publicise and explain the code's provisions. It has gone on increasingly to enforce them. Many operators have made significant improvements to rides as a direct result of the code, and have prevented what otherwise could have been serious injuries to passengers.

I shall now deal with enforcement last year. The code was used without difficulty in serving 28 prohibition notices and 17 improvement notices from April 1984 onwards. The code has also been used as the basis for prosecutions under the Health and Safety at Work Etc. Act over breaches of its provisions. The precise legal nature of the code is not necessarily as important as the fact that it is a practical back-up to the Health and Safety at Work Etc. Act.

I wish to turn to a specific point which my hon. Friend made, which is the issue of safety belts and harnesses. I am advised that they are manufactured to British standard specifications, which is a high and recognised standard. Wherever possible, reference to them is incorporated in the guidance notes and recommendations. However, my hon. Friend raised an important point on the age of those involved in some rides and amusements. That is a matter on which I shall seek advice, and I shall write to him with details, if he has not already obtained information directly from the executive.

It is generally recognised that the code has been taken seriously not only by many fairground operators but by nearly all of them. If people do not take it seriously, they will be in breach of the code and will be liable to prosecution under the Act. If anyone knows of people who are wantonly disregarding the requirements of safety, he has no obligation to speak in general terms but instead to put in a report. It is the same as seeing people doing other dangerous things in other circumstances. There is a general community responsibility.

The code has attracted much international interest. The United States, Canada and European countries have recognised that the United Kingdom is the first country to produce a comprehensive code setting out detailed objectives for fairgrounds.

My hon. Friend drew attention to some of the sad and tragic accidents that have happened this year. We shall have to wait until the end of the year to get the full picture, but I assure him that, whenever a serious accident

happens, it is examined, and that the results of that examination will be shared with and, if necessary, imposed upon the industry. I do not wish to sound as though I am saying that the Health and Safety Executive is against the industry. Only with co-operation can we have safety built in, not just bolted on.

I should emphasise what the regulations require. There should be daily inspection by the operator, and a requirement that every amusement device should be thoroughly examined at least once every 14 months. That should also be done following any repair or modification likely to have affected the integrity of the device. Every newly constructed passenger-carrying device should be tested by subjecting it to the maximum strains. Existing rides should be tested within three years of the code coming into operation, and every new device should be tested before it comes into operation. A log book should be kept to record all those tests and inspections, and a register must be kept which can be seen by the health and safety inspectorate. The role of the inspectorate is to investigate that those precautions have been taken. It is for the operator to determine whether the ride is safe.

In general, the principles in the code are sound and are being enforced by the Health and Safety Executive, with the back-up of the Health and Safety at Work Etc. Act. I look forward to following up this short debate with further parliamentary interest so that we can continue to ensure that amusements are as safe as is reasonably practicable and that people can enjoy themselves in safety.

Question put and agreed to.

Adjourned accordingly at thirteen minutes to Twelve o'clock.

House of Commons

Friday 28 June 1985

The House met at half-past Nine o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

MINERS' AMNESTY (GENERAL PARDON)

Mr. Tony Benn, supported by Mr. Tony Banks, Mr. Bob Clay, Mr. Jeremy Corbyn, Mr. Tam Dalyell, Mr. Terry Fields, Mr. Martin Flannery, Miss Joan Maynard, Mr. Bill Michie, Ms. Jo Richardson, Mr. Martin Redmond and Mr. Dennis Skinner, presented a Bill to provide for a general amnesty for all those who were fined, imprisoned or otherwise punished by the courts, the National Coal Board or others, for acts done or offences committed during the 1984-85 strike by the National Union of Mineworkers; to secure that full pardons, reinstatement at work and compensation shall be offered to all the persons involved; and for purposes connected therewith: And the same was read the First time; and ordered to be read a Second time upon Monday 1 July and to be printed [Bill 172.]

Policing (London)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Lang.]*

9.36 am

The Secretary of State for the Home Department (Mr. Leon Brittan): I am very pleased that the House today has the opportunity for a full debate on the policing of London. This is the third successive year that the House has had such a debate, and this is a welcome development. The policing of the metropolis is always difficult, frequently sensitive and sometimes controversial. The magnitude of the task, and the professionalism with which the police tackle it, have been particularly vividly illustrated by the events of the past few days. It is right, therefore, that the House as a whole should have the opportunity to debate the policing of London, but that I should precede that debate by once again paying a warm tribute to the special work of the Metropolitan police in combating IRA terrorism.

This debate is important, however, as part of a cycle of events, following the publication of the Commissioner's strategy report, which underlines both the accountability of the Commissioner to me as police authority for the metropolis, and my accountability to Parliament for the way in which I discharge that duty. Following discussion with me, the Commissioner published his strategy report last January. The report reviewed how far the goals set for 1984 had been achieved, and set a new force goal for 1985. I sent copies of the report to all right hon. and hon. Members for constituencies in the Metropolitan police district, and subsequently met many of them to discuss it.

I promised to take up personally with the Commissioner a number of the points raised at those meetings, and I met him for this purpose at the end of March. I was then able to write last month giving the Commissioner's detailed and constructive response to the comments made. To complete this round of discussions, I hope shortly, together with the Commissioner and his policy committee, to meet the local authority associations.

I rehearse this sequence of events to underline how real the lines of accountability now are. Compare this process of rational consultation and discussion with some of the antics of the GLC police committee. How can a body which produces a disgraceful piece of propaganda like its recent video expect to be taken seriously as a commentator on police affairs? The so-called police monitoring groups, most of them funded by the GLC, are even worse. They trade in rumour, smear and innuendo. They do not care about improving the policing of London. All they want to do is to drive a wedge between the community and the police.

Before looking at the Commissioner's plans for 1985, I shall review briefly the record of 1984.

Mr. Harry Greenway (Ealing, North): My right hon. and learned Friend has mentioned the GLC anti-police video. I am sure that he has seen it, like a number of right hon. and hon. Members. Does he agree that it is so serious and so damaging to policing in London, and therefore to people's freedom before the law, that the film should be withdrawn immediately if the GLC has any pretence to a genuine interest in the welfare of Londoners?

Mr. Brittan: I have publicly expressed my horror of the film, which I have indeed seen. The GLC would rescue at least a scintilla of its reputation for objectivity if it withdrew that film.

The Commissioner set his force four goals in 1984. The first was to maximise performance through the most effective use of manpower. The strength of the Metropolitan police, both police officers and civilians, has increased significantly since 1979. The Commissioner now has considerable manpower at his disposal and it is right for us to look to him to use this to the best advantage.

This means, above all, ensuring that police officers are not behind desks doing jobs which do not need police powers, skills or training. The measures that the Commissioner has been taking to achieve this have had considerable success. In the year ending in April, the work done by nearly 150 officers was taken over by civilians, so that those police officers were freed for operational duties.

The second goal was to minimise criminal opportunity through crime prevention, public contact, involvement and co-operation. Nobody living in London can fail to be aware of the enormous amount of effort the Metropolitan police have put into this in the last year. There has been a profusion of new schemes and initiatives. To pick out two impressive statistics, at the last count, there were 1,282 neighbourhood watch schemes in operation, with 515 more planned, and there are 21 crime prevention panels.

The credit for that lies of course with the members of the public involved, as well as the police. Their role will increase in importance. Experiance suggests that, while the police can apply the energy to get a neighbourhood watch scheme or a crime prevention panel going, only the public can supply the stamina necessary to sustain it. The latest British crime survey, which will be published shortly, shows that nearly 90 per cent. of people nationwide believe that neighbourhood watch schemes would work, and about two thirds of those questioned would themselves be prepared to take part.

The Commissioner took as his third goal the enhanced detection of certain criminal offences — robbery, burglary and auto-crime — by the use of advanced detection techniques. Overall, there was an increase of 9 per cent. in the number of offences recorded in 1984, roughly in line with the national increase of 8 per cent. This figure is obviously disappointing, particularly when set against the decrease of the previous year. But it should not be allowed to obscure some real achievements.

The number of offences cleared up rose by 9 per cent. The clear-up rate — the House will know of the reservations widely held about the value of clear-up rates as a measure of police effectiveness—stayed constant at 17 per cent., despite the increased demands made on the police. There have been notable successes with some of the specific offences targeted by the Commissioner. The number of burglaries cleared up has increased overall by 15 per cent. and the number of domestic burglaries cleared up by 28 per cent. This has resulted in a slight increase in the clear-up rate for burglery. It is also encouraging to note that the number of burglaries recorded in the first quarter of 1985 was 9 per cent. lower than in the first quarter if 1984, and that there was a 4 per cent. drop in burglaries in England and Wales as a whole.

Where success has been achieved — the Commissioner would be the first to recognise that it has not been universal—it has not been due to fluke or good fortune. It has resulted from the application of sophisticated analytical and detective techniques. The Commissioner will be looking to improve these techniques further, particularly in the gathering and analysis of intelligence.

The fourth goal was to improve the management and organisation of the force. The major development here has, of course, been the force reorganisation, with which I shall deal in some detail later. But the Commissioner has taken a number of other initiatives, independently of the reorganisation, to hone the management of the force. For example, a ready reckoner of costs was issued to districts, divisions and certain headquarters branches. This will help senior officers to identify the costs of different courses of action, and to instil generally a greater cost consciousness.

One factor had a profound effect on the Metropolitan police last year—a factor which could not possibly have been foreseen when the Commissioner drew up his strategy. That is the miners' dispute. The aid supplied by the Metropolitan police to other forces was of enormous importance. Over the period of the dispute, the Metropolitan police supplied an average of 810 officers per week for periods of up to eight days to meet requests from chief officers of other forces.

The Commissioner sought to minimise the impact of the dispute on London by maintaining essential cover as far as possible. A measure of his success was that the number of arrests made for notifiable offences increased by 5 per cent. last year. Training, on the other hand, was postponed, and many desirable activities, such as crime prevention and community relations, had to take second place.

Part of the strain was taken up by the Metropolitan police special constabulary. The specials had to take on many demanding duties in support of their regular colleagues. They responded to the challenge magnificently. Their contribution is a fine example of public-spiritedness. All special constables deserve our gratitude and respect.

Ultimately, the impact of the dispute fell on individual Metropolitan police officers—and their families. They had to spend long periods away from home, performing duties which were always arduous and sometimes dangerous. I wish to place on record my gratitude for the tremendous contribution that they made to the policing of the dispute. They can look back with pride to the part they played in the policing operation. Their efforts helped to secure the preservation of a basic liberty—the freedom to go to work.

I come to the Commissioner's plans for 1985. First, I will state the position about the resources available to the Metropolitan police for this year. There have been no cuts in their budget. In fact, the Metropolitan police have more resources than ever before. Let us examine the record. When we took office in 1979, the establishment was 26,589. It now stands at 27,165. More important, in May 1979, the strength was 22,225, 4,364 below establishment. At the last count, the strength was 26,699. The total strength — civilians as well as police officers — has increased by no fewer than 5,850.

To put it in perspective, the increase in police strength is roughly equivalent to the entire force in Merseyside, one of the largest provincial police forces. The budget for 1985-86 is £763 million, 5 per cent. higher than the equivalent figure for last year. These are considerable

resources by any standards. Of course, anyone running the force would ideally like still more, but the Commissioner accepts that resources are finite and that the existing resources must be put to best use.

The Commissioner has made it clear that the force, like everyone else, must live within its means. Like any other large organisation, there is scope for increased efficiency in the use of resources. Last year, for the first time, I decided that the Metropolitan police budget should be cash-limited. There is nothing new or unusual about cash limits. This year, 62 per cent. of Government public spending is cash-limited. Almost all defence spending, for example, is cash-limited, as in my Department is the prisons Vote.

The introduction of a cash limit does not mean a reduction in expenditure; one can increase expenditure enormously and still need a cash limit. The point is, rather, that a cash limit is a healthy discipline and a spur to increased efficiency. It means taking budgets seriously. Indeed, the Commissioner makes the point clearly in his annual report that the cash limit underpins all his other efforts to sharpen up the efficient management of resources.

It is against the background of increased resources for the Metropolitan police that the recently announced reduction in planned expenditure should be viewed. After the cash limit was set in February, it became apparent that there would be unforeseen increases in parts of the budget. Therefore, properly and prudently, the Commissioner took stock of the situation and decided on compensating economies in other areas. But, as he has pointed out, many of these are simply a matter of good housekeeping. The strategy for 1985 remains fully in force.

That strategy consists this year of a single goal—to improve the quality of service to the public—and that goal will have four elements. The first—carried over from 1984—will be the reduction of opportunities for crime through crime prevention initiatives and fostering contact, involvement and co-operation with the public. One of the main aims will be the further development of community-police consultative arrangements. These arrangements have been on a statutory basis since the beginning of this year, when section 106 of the Police and Criminal Evidence Act 1984 came into force. The Act places a duty on the Commissioner to establish consultative arrangements throughout the Metropolitan police district, taking account of the guidance that I issued on 25 January. To date there are arrangements broadly conforming to the guidance in 26 of the 40 boroughs and districts. The Commissioner will be doing all that he can to fill the gaps as quickly as possible.

The Commissioner is—as he is required to do under the Act—consulting the local authorities concerned. Some are still considering their response. Others, such as Hackney, have said that they will not take part in any arrangements which are not based on their police committees—committees which purport to hold the Metropolitan police to account. I have two comments about that position. First, their approach is contrary to the law that Parliament has laid down. Secondly, there can be no justification for these boroughs trying—for purely political reasons—to block the setting up of consultative arrangements which would be of inestimable benefit to those living in the boroughs.

These attempts will not succeed. Consultative arrangements will be established in those boroughs. The Commissioner and I would both greatly prefer that the borough councils take part, but if they refuse they cannot be compelled to do so, and arrangements will have to be set up without them.

The second element of the goal for 1985 is, again, the enhanced detection of specified target offences. The Commissioner has added to the list two areas which have rightly caused profound concern over the past year: drugs and racial attacks.

London has suffered more from the menace of hard drugs than any other part of the country. The Commissioner is fully aware of the gravity of the threat that they present. The central drugs squad has been committed to the investigation of large-scale suppliers and manufacturers of drugs. This has had results. The amount of heroin seized has quadrupled. In the force as a whole, there were more drugs seizures in 1984 than the year before. 25 kg of heroin, 3·7 kg of cocaine and 747 kg of cannabis were seized. Arrests for trafficking rose by 31 per cent. At the local level, district commanders have taken a wide variety of initiatives, many of them as part of a co-operative effort with other local agencies. My hon. Friend the Under-Secretary visited a very encouraging project in Southwark last January. More, much more, remains to be done. The Metropolitan police will be taking a full part in the national police commitment to deal with drugs crime.

I am sure that the House will also welcome the increased priority attached by the Commissioner to eradicating racial attacks. It is intolerable that whole communities in the east end of London—hard-working and law-abiding communities—should have their lives blighted by the fear of racist violence. My hon. Friend the Minister of State visited Tower Hamlets in February to discuss the situation with community representatives and the police. What he saw left him in no doubt that the problem is a grave one, but one which is being tackled with a will. The police cannot solve it on their own, but the Commissioner intends to ensure that they respond promptly and effectively to attacks; and, in the wider context, to develop a multi-agency approach to the problem, which I think is what is needed.

The force reorganisation is the principal part of the third element of the force goal for 1985—the effective, efficient and economical use of resources. This is probably the most fundamental reorganisation that the force has undergone this century. Careful and thorough research pointed clearly to the conclusion that the present structure is too centralised and has to be changed.

After discussing this with me, the Commissioner announced last November a number of fundamental changes, which have my full support. The size and scope of headquarters will be considerably reduced. Some officers working at headquarters will be freed for operational duties. One tier of territorial command will be removed by abolishing the present four areas and 24 districts and putting eight new areas in their place. Responsibility and accountability will be devolved downwards wherever possible. The division will become the fundamental unit of policing. These basic principles of the reorganisation are now settled, but many important questions on how these principles will be implemented are still up for discussion and decision. The process of implementation will take about two years.

I know that there has been concern that there was not consultation before these changes were announced. A number of right hon. and hon. Members have told me that

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they regretted the absence of prior consultation. Some community-police consultative groups have also expressed their disappointment. I entirely understand these feelings. But the Commissioner judged—and I agreed—that the changes were so essential that extensive consultation would have caused only damaging delay and uncertainty. The morale and efficiency of the force would have been at risk. But, as I have said, the changes announced so far —this is the key issue—amount to no more than the bare bones of the reorganisation. The Commissioner is committed to widespread consultation with all concerned as the flesh is put on these bones.

This is true, above all, of the effect of the new force structure on community-police consultative arrangements. I know that several consultative groups, in the inner London boroughs especially, are worried that the loss of district commanders will undermine their borough-wide basis. The Commissioner is keenly aware of these concerns. He is determined to find answers to these worries, so that the invaluable work done by consultative groups is not impeded.

In line with the general aim of the reorganisation, the Commissioner hopes that groups will come to regard divisional chief superintendents as the focal point for consultation. Many of the issues discussed in consultative groups are essentially local, affecting only one division, or even part of a division. The divisional chief superintendent, the officer with direct operational responsibility, is often best placed to respond to them.

But the Commissioner fully accepts that problems may arise particularly in boroughs such as Lambeth which cover three or more divisions. Consultative groups in these boroughs may well feel the need for a more senior officer, with wider responsibilities, to attend meetings. The Commissioner therefore accepts that it may be useful in these cases for a commander — or even the deputy assistant commissioner—from the new area headquarters to attend meetings, if the group so wishes.

Neither the Commissioner nor I is advancing this possibility as a blueprint for adoption by all groups. It must be for each group to decide, in consultation with the police, how consultative arrangements can best work under the new force structure. Surely the important thing now is for each group to sit down with the local police and work out acceptable arrangements. I am very pleased that the Lambeth group—in a characteristically constructive and forward-looking fashion—has already started to do this.

The reorganisation is by no means the only strand in the Commissioner's efforts to improve——

Mr. Nigel Spearing (Newham, South): In touching on a fundamental matter, the Home Secretary has been both reassuring and perhaps disappointing. He has not made it clear whether the figure of eight new areas has been set in concrete without the consultation to which he referred and without paying attention to the strong, serious and formal representations which were made to the Commissioner, or whether it is for further consideration and that it might conceivably be increased.

Mr. Brittan: I would not be presenting an accurate picture if I led the hon. Gentleman to think that it is at all likely that the figure will be changed.

Mr. Spearing: It is entirely unsatisfactory.

Mr. Brittan: I understand what the hon. Gentleman has said and I am grateful for his acceptance that on other issues I have given a measure of reassurance. The reorganisation is by no means the only strand in the Commissioner's efforts to improve efficiency and economy in the force. As police authority, I naturally take a close personal interest in this part of the strategy. There are a number of areas to which I have asked the Commissioner to pay special attention.

As manpower absorbs nearly 80 per cent. of the force's resources, the handling of it must be the prime object of the Commissioner's efforts. The aim is simply to free as many officers as possible for operational deployment. There are two specific areas on which I have asked him to concentrate. First, the force reorganisation will enable him to move police officers from administrative jobs at headquarters to operational jobs on the ground. I have asked the Commissioner to maximise the number redeployed in that way. I have said that I wish a minimum of 200 officers to be redeployed by the time that the reorganisation is completed. The second area is civilianisation. I have already mentioned that nearly 150 posts were civilianised last year. I have told the Commissioner that the search for further posts must continue. I shall agree with him targets for further substantial civilianisation when we discuss his strategy for next year; and I shall expect to see them reflected in his strategy report. To help in this, I have just agreed to an increase of over 40 in the civil staff specifically for civilianisation, on top of the increase of 132 posts that I announced last October for this year.

Equipment too is a major area of expenditure, especially vehicles. The Metropolitan police has a fleet of over 4,000 vehicles, which costs about £20 million a year. A joint review of the fleet is being carried out by the Home Office and the Metropolitan police to ensure that it meets the needs of the force as economically, efficiently and effectively as possible. The Home Office has engaged a consultant to advise the review body. As well as looking at the size of the fleet, the review will examine how the fleet is managed and the scope for contracting out. Pending the completion of the review, I have placed an upper ceiling on the total size of the Metropolitan police vehicle fleet of 4,150 vehicles.

At my request, the Commissioner and the receiver are also examining whether it would be more economical and efficient to contract out a variety of functions presently performed in house. Cleaning services have been contracted out in over 200 buildings. Further studies are in progress—for instance, on vehicle removals, wheel clamping and car pounds. My officials will be examining carefully the findings of those studies. I shall expect the Commissioner in his next strategy report to give an account of the results achieved, and to set out a programme of further studies.

The fourth element of the force goal is to develop corporate and personal professionalism. The main initiative here has been the new handbook of policing principles and guidance for professional behaviour. It is divided into two parts. The first—the policing principles of the Metropolitan police—is the first attempt to set down comprehensively the duties of the Metropolitan police since that made by Sir Richard Mayne, one of the first Commissioners, in 1829. The second part—the guidance for professional behaviour—gives individual officers the guidance they need in carrying out their duties

from day to day. It devotes considerable attention to the concept — crucial to police work — of discretion. In a very practical, down-to-earth way, using a wealth of helpful examples, it analyses the problems which officers face and points the way towards sensible solutions.

I warmly endorse the aims of the handbook. I am sure that it will have great declaratory value, but it will have practical value as well. Discussions about the handbook will be held at every level of the force. The aim is to encourage officers to come to grips with, and to reflect in their behaviour, the high standards of professionalism that it enjoins. Although directed primarily at the younger officer, it should challenge and stimulate also the most senior and experienced.

The handbook assumes all the more importance in the light of the findings of the Policy Studies Institute report. The report made a number of serious criticisms of the behaviour and professionalism of the Metropolitan police. The Commissioner was candid in his acceptance of many of those criticisms, and has been energetic in taking remedial action. For instance, he set up a working party to look at racism in the force, which has come up with many practical recommendations. Much more remains to be done. The handbook underpins those efforts.

There is one consistent theme in all the many changes that the force is undergoing — the effort by the Commissioner to make his force more purposive. The ability, energy and devotion to duty of Metropolitan police officers have never been open to doubt, but greater efforts are now being made to direct those energies effectively. Priorities are being laid down. Targets are being set. Systems are in place to review the priorities and to see whether the targets are being met. That helps the Commissioner to ensure that the force is being used to best effect, and it enables me to see whether the Commissioner has achieved the agreed goals set out in his strategy report.

All that implies a greater need than ever for the views of the public about policing to be expressed. Before drawing up his strategy, the Commissioner needs and wants to know what concerns Londoners most, but he and I also need to know the views of this House. That is why this debate is so important for the policing of London.

10.5 am

Mr. Gerald Kaufman (Manchester, Gorton): If there is one paragraph in the report of the Commissioner, which was published a few days ago, which symbolises the finest qualities of the Metropolitan police it is the paragraph on page 72, which refers to Police Constable John Gordon, the dog handler who was critically injured in the bomb attack at Harrods. When my right hon. Friend the Leader of the Opposition and I visited some of those injured at Harrods, it was difficult to believe that Mr. Gordon could ever return to active service, yet, as a result, not just of dedicated medical attention, but even more of his own superb determination, he was back at work less than a year after he sustained his fearsome injuries.

In paying tribute to Police Constable Gordon, we pay tribute to all members of the Metropolitan and other police forces who have been injured in the pursuit of crime. In the light of the staggering complacency of the Home Secretary's speech, one would never think——

Mr. Tim Smith (Beaconsfield): The right hon. Gentleman wrote that before he heard the speech.

Mr. Kaufman: I wrote it in just now. I shall happily pass the text of my speech across to the Home Secretary for his further enlightenment when I have completed my speech.

In the light of the Home Secretary's increasingly staggering complacency, one would never think that this debate was taking place againt a background of unprecedented public confrontation between the Government and the police. In recent weeks, fierce attacks have been made on the Government by several chief constables in their annual reports, and a vote of no confidence in the Government was carried unanimously by the Police Federation. The Police Federation conference also saw fierce barracking of the Home Secretary.

Following the publication of the report of the Commissioner of Police of the Metropolis, there have been further critical statements from the Commissioner, leading to an ill-tempered response from the Home Secretary and, never to be outdone when shrill declarations are being made, by the Prime Minister. In many ways, the Commissioner's report, which we are considering today in the context of this debate, carries these controversies further, for while we are debating policing in the metropolitan area, many of the lessons can be applied to policing and to law and order problems throughout the country.

The report is extremely disturbing in many ways. The Opposition remain worried by the unsatisfactorily low proportion of women in the Metropolitan police. Last year, in the annual debate, the Home Secretary got into a great state about allegations that the Metropolitan police were operating a 10 per cent. quota of women in the force. It is, therefore, just a little uncanny that 12 months after that debate we learn from this year's report that the proportion of women in the force is 9·3 per cent. Is that a quota, or a coincidence?

I would also welcome an explanation of why last year 13 per cent. of male applicants to join the force were accepted, compared with only 7 per cent. of women. This might, of course, have something to do with the information contained in the report that 23 per cent. of male applicants were interviewed, but only 14 per cent. of women applicants. We should also like an explanation of that matter.

We share the Commissioner's concern that fewer applications for membership of the force have been received from members of the ethnic communities. At present, it seems that only about one half of 1 per cent. of the nation's police officers come forward from these communities. Part of the explanation may derive from a view contained in the annual report of the Commission for Racial Equality, which was also published a few days ago, which stated:

> "There is ample evidence to suggest that black people generally believe the police to be fundamentally hostile to them."

The CRE report goes on to suggest:

> "The prospects of a truly multi-racial police force may ultimately depend upon the vigour with which the police get rid of racism in the force".

In the light of that statement, and in the light also of the recognition of racism in the force by Lord Scarman, by the PSI report, to which the Home Secretary referred, and by the Home Secretary himself in the final debates on the Police and Criminal Evidence Bill, it is, to say the least, disappointing that the Commissioner's report contains not one word on that important subject. The subject is all the

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more important in view of what the report itself says about the disturbing number of racial attacks in London as well as in other places.

Those worrying statistics are only a part—although a highly disturbing part — of the grim and frightening picture provided in the Commissioner's report of the appalling crime wave that afflicts London in common with the rest of Britain. It is a crime wave the existence of which one would never guess from the half-hour speech to which we have just listened.

In the seventh year of this Conservative Government the crime figures are rising remorselessly, and the story told by the Commissioner's report, as by the figures for the whole country, is extremely alarming. Last year in London, crime rose by 9 per cent. to a new record level. Theft was up by 6 per cent., violence against the person was up by 7 per cent., robberies were up by 13 per cent. and burglarly was up by 10 per cent. Two thirds of burglaries took place in private homes, and those crimes were up even more than the average, by 11 per cent.

Not only has crime risen to historically high levels, but the ability of the police successfully to combat crime remains extremely unsatisfactory. Last year in the Metropolitan police area the overall clear-up rate for crime remained at a lamentable 17 per cent. The increase in the number of arrests, at 5 per cent., did not keep pace with the number of those who should have been arrested. Indeed, the actual arrest rate fell. The clear-up rate for theft was only 16 per cent., and for burglary only 10 per cent.

In his speech the Home Secretary made some selective comparisons about police strength now compared with when the Government took office, so let us look at the picture of crime in London now compared with what it was when the Prime Minister, who represents Finchley, and is therefore a London Member, first stepped through the doors of 10 Downing street in 1979.

Mr. Richard Tracey (Surbiton): In the context of crime in London, will the right hon. Gentleman look at the Greater London council's video on policing in London and its effect? Will he repudiate the words in that commentary that communities must rebel, because that sort of thing must be significant in considering this subject?

Mr. Kaufman: When I listen to the hon. Gentleman, I feel that in fighting crime the real Dick Tracy would be more convenient for us.

Mr. Tracey: Answer the question.

Mr. Kaufman: By talking about the effect of a video which I and most people have not seen, the hon. Gentleman must not shuffle aside the crime rate that is afflicting London, information about which I shall now give to the House.

Mr. Brittan: Will the right hon. Gentleman help us? I appreciate that he is busy and has not had time to see the video, although much comment has been made about it. Will he agree to see it and express his views when he has done so?

Mr. Kaufman: If I have the time, I shall watch the video, but during the past couple of days I have been helping to win the Brecon and Radnor by-election. We have other preoccupations. If only the Home Secretary would devote himself to dealing with London crime rather than with one video cassette, perhaps the statistics that I am about to give the House would be more central to the issue.

It is absolutely typical of the Home Secretary, when we are facing the worst crime wave that this country has ever known, and the worst crime wave that London has ever known, and when he is the police authority for London, as he so satisfiedly told us, that, instead of telling us about crime for the past half hour, he devoted a section of his speech to a video which I, most of the country and most people in London have not seen, as well as to the miners' strike, to which I shall refer.

Let us hear about the crime over which the right hon. and learned Gentleman is presiding. Last year, 716,545 serious offences were reported as having been committed in London. That was a 26 per cent. increase on the 1978 figures. Violence against the person in London, under this Government, is up by 34 per cent. Burglary in London, under this Government, is up by 38 per cent. Criminal damage in London, under this Government, is up by 54 per cent. Let us look at the number of crimes committed per 1,000 of the population, again comparing the situation now with what it was when the Government came to office. All crime is up by 41 per cent. Violence against the person is up by 51 per cent., burglary is up by 54 per cent. and criminal damage is up by 71 per cent.

When the Government took office, 65 serious crimes were committed every hour in the Metropolitan police area. Now, 82 are committed every hour. When the Government took office, in the Metropolitan police area there were 39 crimes of violence every day. There are now 52 crimes of violence every day. When the Government took office there were 183 cases of criminal damage every day in the Metropolitan police area. There are now 281. Since the Government came to office, burglaries have risen from 336 a day to 461 a day. Since the Government came to office, thefts have risen from 888 a day to 1,022 a day.

When the right hon. Lady became Prime Minister, a serious crime happened somewhere in the metropolitan area every 56 seconds. Now, one takes place every 44 seconds. Is that less important than a GLC video? What is more, the fight against that disturbing escalation in crime is faltering. Again, during the right hon. Lady's period of office the total clear-up rate in the Metropolitan police area has fallen from 21 to 17 per cent. The clear-up rate for theft has fallen from 20 to 16 per cent. The clear-up rate for criminal damage has fallen from 14 to 11 per cent. The clear-up rate for burglary has fallen from 11 to 10 per cent.

As the Home Secretary said, the number of police has risen, but the number of crimes per policeman has risen faster — by 5 per cent. The clear-up rate per police officer has fallen by 16 per cent. under the Government. That is a devastating picture of crime in our capital and its surrounding area. It is provided by the Commissioner himself in the report before us.

The report reveals a particularly disturbing rate of crime among young people. Half of those arrested for notifiable offences were under 21 years of age. Of those arrested for robbery, 63 per cent. were aged under 21. Of those arrested for burglary, 62 per cent. were under 21. Of those arrested for motor cycle theft, over 70 per cent. were under

21. What is more, not only were those arrested for crime predominantly young, but the victims of crime were often young, too.

Old people are understandably fearful of crime. We all know from our constituencies of the fear which prevents many old people from venturing out of doors or even from opening their doors to callers. That apprehension is real and must be taken seriously by all of us—I know that it is. The revelation in the Commissioner's report, however, is that only 3 per cent. of victims of violence against the person last year were over 60. Mugging victims are much more likely to be young people — 20 per cent. were schoolchildren. Those facts make a depressing picture.

Mr. Nigel Forman (Carshalton and Wallington): Does the right hon. Gentleman agree that the clear-up rate for offences about which the public are most worried is at least in part related to the trust and co-operation between the police and the public? Does he further agree that the GLC video, of which he was so dismissive, undermines some of that trust and co-operation?

Mr. Kaufman: If that little box contains all that the Government have to say about the crime rate, we are faced with a lamentable state of affairs. Trust between the public and the police is mentioned several times in the Commissioner's report and I have something rather more relevant and rather less trivial to say about it.

All of the facts add up to a depressing record, which is even more depressing in view of the complacent untruth in the Conservative party manifesto for the 1983 election. That misleading document said:

"already street crime is being reduced and public confidence improved in some of the worst inner-city areas.".

That was the dishonest claim which was made only two years ago. The Metropolitan police crime statistics show that, since the Government were elected, there has been an 8·5 per cent. increase in fraud and that the clear-up rate for that crime has fallen badly. Although the crime figures for fraud must now be increased by adding this gross case of fraud to them, I can at least direct the police towards the culprit.

Why are we suffering from this unprecedented crime wave? The Home Secretary is laughing at his own election manifesto. Does he stand by it? Does he say now, two years after being elected on the basis of that fraud, that street crime is being reduced? Is he still saying that public confidence has improved in some of the worst inner-city areas? Would he like to come to the Dispatch Box and endorse what was in that manifesto and say that the same is true today? No. Perhaps the Home Secretary will now take the smirk off his face and listen to what is happening with crime in the metropolis, for which he, as he has told us, is personally responsible as the police authority.

Why are we suffering from this unprecedented crime wave, which disrupts the community in so many ways? The 1979 Conservative manifesto said:

"The police need more time to detect crime".

It promised to ease the burdens on the police. That is another broken promise. The police themselves are now complaining about the extra, and often unnecessary, burdens being put on them which interfere with, or even disrupt, their principal duty of fighting crime. The Government are misusing the police in many ways. In so many ways, they are making the police either reluctant instruments, or even victims, of controversial Government policies.

Page 109 of the Commissioner's report shows that he is apprehensive of the extra burden that will be put on the police by the Government's policy of privatising public transport. The report contains some pretty sharp comments for a non-political document. When discussing privatisation of the National Bus Company as it will affect operations in London, the report says:

"nothing has changed police views on the control of routes, termini and stopping places and the need for their adequate supervision, together with strictly enforced levels of maintenance."

Implementation of the complexities of the Police and Criminal Evidence Act 1984 will undoubtedly distract the police from their most important duties.

In his recently published report the chief constable of Staffordshire said:

"Looking forward to 1985, I foresee continuing additional demands on our manpower resources should the NUM dispute continue. In addition, our manpower availability will be further depleted because of the extensive programme of training for all officers of the Force in preparation for the implementation of the Police and Criminal Evidence Act."

That worry was echoed by the chief constable of Warwickshire, who, in his annual report, said:

"My biggest fear is that we will not be able to complete this very necessary training before we are obliged to commence training of the whole Force on the changes in law and procedure resulting from the Police and Criminal Evidence Act 1984."

Complaints were made at the recent Police Federation conference about the damaging effects on police efficiency of the Government's cuts in rate support grant and their grant penalties on local authorities. Police Constable Paul Middup, the chairman of the constables' section of the federation, said that, with other local government services, the police were forced to bear their share of spending cuts. He continued:

"Central government cannot duck the issue any longer. It is fast turning into a public scandal which is entirely of their making. They cannot blame the local authorities any longer."

The anxiety is stated most comprehensively in the Commissioner's report. I shall quote it at some length. It says:

"There are clear signs already that demand has outstripped our capability to supply a comprehensive service"—

we did not hear any of this from the Home Secretary—

"and we have been forced to concentrate upon partiular priorities within the totality of demand. The moment that an organisation begins to choose amongst corporate priorities, so follows inevitably the recognition that desirable goals will be left unpursued or, at best, given less weight from amongst fixed resources. Rigorously enforced cash limits are a challenge to our professionalism in matching our available resources against increasing demand. In seeking to operate responsibly within these limits we shall inevitably find ourselves less able to meet all of our commitments towards the general public in the way that we would wish. If we rise, for example, to a centrally counselled drive against drugs, which brings heavy demands on manpower through round-the-clock surveillance, then the existence of finite ceilings to manpower will dictate the removal of officers from other duties. The delicacy and sensitivity of the work requires the deployment of experienced officers, who are also in demand for other key areas of operational work—such as anti-robbery or anti-fraud duties."

Nowhere is that misuse of the police against the inclinations and instincts of the police more clearly shown than in what the Commissioner says about the impact on his force of policing the miners' strike—an unnecessary dispute which was provoked by the Government for their own partisan purposes, as the public now say in all of the opinion surveys that we get.

Nobody knows exactly the financial cost of policing the miners' strike, but, for the country as a whole, it is almost

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certain to be £250 million, if not more. All of that money could more usefully have been used to fight crime in our villages, towns and cities. We know, however, that the cost to the Metropolitan police was £16·5 million and that nearly £7 million of that remains to be reimbursed. We know also that the Metropolitan police had to make cuts of £8 million in expenditure, which has not been reimbursed. — *[Interruption.]* The local authorities did not want that to be done, but wanted the money which was provided for policing purposes to be spent on fighting crime, just as the Metropolitan police did.

Mr. Brittan: Is the right hon. Gentleman suggesting that, faced with a dispute of that kind, conducted in that manner, riotous mobs should be allowed to go unchecked?

Mr. Kaufman: The trouble and the confrontation were of the Government's making. The police did not want to be involved. They wanted to be back on their beats fighting crime. They would have been fighting crime had it not been for the Prime Minister and the right hon. and learned Gentleman. He stoked up the dispute in a way that no Home Secretary has ever done before.

Mr. Brittan: The right hon. Gentleman is ignoring the fact that a third of the miners continued to work and wanted to continue to work. They were able to do so against organised thuggery only because the police were there to protect them. Does the right hon. Gentleman deny rights to those trade unionists who wanted to go to work but who were not allowed to express their view in a ballot?

Mr. Kaufman: The right hon. and learned Gentleman is a member of a Cabinet which denies the right to work to 4 million people who want to work. He is complacent about that. Let us hear, not what the Home Secretary in his heated moments, trying to prove his virility to the Prime Minister, says about this, but what the Commissioner says about the effect on his force of the Home Secretary's provocative policies. The Metropolitan police have had to make spending cuts of £8 million because of the costs of the miners' strike, which have not yet been reimbursed.

Assistant Commissioner Dear wrote a letter to *The Times*, in which he pointed out that the Metropolitan police had provided up to a quarter of all the additional police manpower during the dispute — up to 2,000 officers each week, and over 250,000 individual tours of duty. In his report the Commissioner said:

"The manpower commitment to the miners' strike throughout the past year has resulted in a considerable reduction in the attendances at training when compared with the previous year."

Let us hear what the Commissioner says about the result of those absences:

"Recorded crime has increased and, although crime figures are notoriously resistant to accurate analysis, the absence of so many officers looks persuasive when we try to explain the increase . . . The mutual aid supplied to forces directly concerned with the miners' dispute inevitably reduced the number of officers available for duty in the metropolis during the last three quarters of 1984. The effects of this reduction on some police activities can be illustrated by a number of statistics; it is likely to have been a major cause of the comparative reductions in both the number of arrests and the number of stops made by this Force during the period of the dispute. The effects of the dispute on offences committed and offences reported by the public cannot be satisfactorily estimated."

There were only two weeks when no Metropolitan officers were sent to the coalfields, and the distractions from the necessary work of the police are demonstrated by the reference in the report, unprecedented so far as I can ascertain in any report by the Commissioner, to the role during the strike of the national reporting centre. This is not properly a subject for a report by the Commissioner, since it is an ad hoc body. It is not under the Metropolitan police or any police force. It is under the trade union of chief police officers, the Association of Chief Police Officers. The activities of the national reporting centre during the year of the strike have so discredited it that it is not being used for the co-ordination of the work against the IRA bombers which the Home Secretary announced on Tuesday, which might be regarded as a proper reason for the activation of a genuine national reporting centre.

We have an unprecedented crime wave and a police force which, despite its best endeavours, is too overstretched and too distracted by other tasks adequately to tackle the crime wave. Moreover, these distractions are unfortunately tending to undermine the confidence in the police among the public, to which the right hon. and learned Gentleman referred, which is essential for a successful attack on crime.

In his report the Commissioner repeatedly emphasises the need for public confidence. On page 1 he refers to the need for

"a police service which sees itself firmly rooted in a consenting community rather than as a police force imposed upon an unwilling people."

On page 7 he says that the work of the Metropolitan police

"rests upon the exercise of authority — and occasionally force where necessary — and the legitimacy of that authority rests not only on the fact of the law but also on the will of the community: remove either and the police become oppressive."

On page 14 the Commissioner makes the frank admission:

"Great emphasise has been laid in my strategic approach to the policing of London upon the requirement on Metropolitan Police Officers to observe the rule of law — to police within what has been called the 'due process'. This requirement is unequivocal and always has been; if police officers do not abide by the law, then any credibility they seek in requiring or persuading others to do so in a consensual society is put in jeopardy. Police officers have not always risen to this demand. On occasions they have, quite wrongly, behaved in ways suggesting that they were anticipating — and pre-empting — failures of the judicial process to deliver what they would have viewed as justice."

That is not a GLC video, but the Commissioner admitting to shortcomings in his own force which he believes should be put right.

It is not the role of the Commissioner to discuss in detail the causes of crime, but it is essential for the House of Commons to do so. We can see the causes all about us. Cuts in public transport mean that more people are alone on the streets at night. Cuts in the housing programme mean that there is more derelict property, a prime target for vandalism and a haven for criminals to lurk in. Cuts in local authority finance reduce road maintenance and street lighting. Cuts in Customs and Excise staff mean that drug runners have an easier time.

Mr. John Wheeler (Westminster, North): The right hon. Gentleman knows that the Government have just increased by 50 the strength of those responsible in Customs and Excise for investigations. The chairman of the Board of Inland Revenue says that he is perfectly satisfied with the strength — about 250 — of his investigation force. This has nothing to do with customs officers generally.

Mr. Kaufman: Following the hon. Gentleman's comments after the publication of the Select Committee's report and that creep-like intervention, he must be well in line for the knighthood that he is seeking. A tiny increase now does not compensate for the massive decrease under this Government. The hon. Gentleman had better get his Select Committee to look up the figures before he comes here with his usual crawling remarks from the Back Benches.

Mr. Frank Dobson (Holborn and St. Pancras): Does my right hon. Friend agree that the recent about face by the Government and the appointment of 50 new customs officers should be put into perspective? Customs and Excise deployed more than 40 officers to raid and read the books taken from the "Gay's The Word" bookshop.

Mr. Kaufman: It is a question of priorities, and the Home Secretary gives his priorities to the House of Commons. The cuts in VAT and Inland Revenue staff —*[Interruption.]* The Home Secretary had better tell us whether he regards books sold by "Gay's The Word" as a greater narcotic than the kind of drugs that we are seeking to fight, against which the Government's fight has been faltering since they came to office. The cuts in VAT and Inland Revenue staff not only affect the fight against drug pushers but give an easier passage to fraud. Fraud means loss and even financial ruin for its victims.

Another ingredient is the increase in unemployment. Unemployment in Greater London is now three times higher than it was when Labour left office. For young people it is nearly four times as great. This was curtly dismissed as a crime factor in a recent interview given by the Home Secretary to the *Financial Times*.

Mr. Wheeler: Quite right.

Mr. Kaufman: I am delighted that the hon. Gentleman said that. The interviewer said:

"The Home Secretary, who was relaxed, confident and clearly enjoying his portfolio . . . said Home Office research suggested that the general perception of a link between unemployment and crime was unfounded."

That view was not shared by one of the Home Secretary's predecessors, who said:

"If we can nip in the bud criminal tendencies in people then we would be going a long way towards easing the pressures on our police . . . Undoubtedly, economic mismanagement . . . where that leads to high levels of unemployment, especially amongst young people, also contributes considerably to increasing the number of those tempted into a criminal life."

That was Lord Whitelaw speaking when he had the responsibilities that I had as a Minister. True, he went on to make a joke about it, saying:

"The only real remedy for this situation is a vigorous pursuit of Conservative economic and social policies."

As was so often the case, Lord Whitelaw understood the cause, even if he was wrong about the remedy.

As we approach the time when the Labour party will be asked to accept responsibility for the government of our country, we shall not make the Tory mistake or commit the Tory deception of offering gimmicks and platitudes or pretend cynically that it is simple to deal with a profoundly difficult social problem.

We commit ourselves to taking action that will help to create conditions which will make it easier for the police to do their job and more difficult for criminals to do their worst. We will seek to remedy some of the conditions that foster crime and create criminals. We will make it more difficult for criminals to get hold of guns, by restricting their availability. We will tackle the problem of shotguns falling into the hands of people with no good reason to possess them, while safeguarding the rights of those with a legitimate use for one in work or sport.

We will take urgent action against the drug traffic, and will increase the resources available to all those involved in fighting the drug traffic. We will do everything possible to ensure that drug dealers are detected, convicted and given sentences appropriate to the seriousness of their crime. We will tackle the social and economic factors that help to make people, especially the young, vulnerable to drug abuse. We will put an end to the Government's penal policies against local authorities. We will seek to improve life in the areas that are most crime-ridden, where despair leads to alienation and alienation turns into criminal behaviour.

We will give a high priority to restoring local services. Cuts in those services have meant fewer caretakers, park keepers and public servants, whose presence can deter crime and vandalism. A better housing programme and improvements in the environment can tackle certain types of crime at their roots.

Seeking to remedy these problems is not easy, cheap or quick, but it is easier, cheaper and quicker than dealing with the dire results of social neglect. The crime wave is one of the results of social neglect with which our people must live.

When he was shadow Home Secretary, Lord Whitelaw said:

"A Government that cannot protect its own citizens from attack in the streets of its towns and cities, that cannot protect property from damage, or homes from intrusion, has failed to live up to the basic duties of Government."

By their own standards, and on their own tests, this Government have failed. Their departure, which is ever more likely, will give the nation a new chance to combat the crime wave which will be the Prime Minister's grim legacy to the nation which she has so ill served.

10.44 am

Sir Philip Goodhart (Beckenham): Connoisseurs of hypocrisy will find a great deal to treasure and savour in the speech of the right hon. Member for Manchester, Gorton (Mr. Kaufman). I am sure that I shall read with pleasure one astonishing passage when he commented, with evident approval, on a chief constable who was complaining about the additional manpower requirement that would be imposed on his force by the Police and Criminal Evidence Act 1984. There will be additional requirements, some of which will be excessive. In so far as they are excessive, it is because my right hon. and learned Friend the Home Secretary was perhaps unwise in accepting the amendments tabled by the Opposition in Committee and on Report.

Mr. Kaufman: The hon. Gentleman did not serve on the Standing Committee. If he had done so, he would have known that the Home Secretary did not accept anything. He was there for only 3 per cent. of the Committee's 147 hours.

Sir Philip Goodhart: Connoisseurs of hypocrisy will look at that statement as well. I am sorry that the right hon. Gentleman could not bring himself — although one gathers that he has completed his reselection process— to condemn the savage attacks perpetrated on the Metropolitan police by the GLC and that he was not able

[Sir Philip Goodhart]

to dissociate himself from the attacks, which my right hon. and learned Friend the Home Secretary described as divisive, deliberate attempts to turn the community against the Metropolitan police.

Mr. Dobson: Have any people, other than a series of Conservative Members of Parliament, received this GLC video?

Sir Philip Goodhart: I was not referring to the GLC video. I have not had the misfortune to see it. During the past year, like every other hon. Member representing the metropolis, I have received, and occasionally read, a vast amount of damaging, libellous and false literature from the GLC attacking the police.

Mr. Jeremy Corbyn (Islington, North): If the hon. Gentleman thinks that the video is "damaging, libellous and false", should he not make arrangements, first, to see it for himself and, secondly, to go to the GLC, buy a copy and have it placed in the Library so that other hon. Members may see it as well?

Sir Philip Goodhart: The hon. Gentleman, who is one of the leaders in the assault on the police and who is deliberately attempting to stir up a dislike and distrust of the police, refers to the GLC video. I am not referring to that video.

Mr. Corbyn *rose*——

Sir Philip Goodhart: I am referring to the mass of propaganda put out by the GLC, of which this video may have been one of the worst aspects.

Mr. Corbyn: Will the hon. Gentleman give way?

Sir Philip Goodhart: I shall not give way to the gentleman whom I must refer to as honourable.

Mr. Corbyn: On a point of order, Mr. Deputy Speaker. The person who is on his feet has just—[HON. MEMBERS: "Order."]—ascribed a number of remarks to me. Would he care to inform the House when those statement were made, so that the House may have a correct record?

Mr. Deputy Speaker (Mr. Harold Walker): Order. I have heard nothing so far which is out of order, although I have heard a great deal of discourtesy.

Sir Philip Goodhart: At some later date I would gladly go through the hon. Gentleman's record on that point both inside and outside the House. However, I wish to move on to regret that the right hon. Member for Gorton in his adroit speech was, alas, unable whole-heartedly to recommend the ethnic minorities to join the police force. Nothing will do more good for ethnic relations with the police than to increase ethnic recruiting. I am sorry that he was unable whole-heartedly to recommend a substantial increase in recruitment from the ethnic communities.

I am also sorry that the right hon. Gentleman seemed incapable of paying whole-hearted tribute to the work of the Metropolitan police in past years to improve their relationship with the community as a whole.

I was delighted that my right hon. and learned Friend the Home Secretary was able in his admirable speech to pay tribute to the role of the special constabulary in past years.

I am delighted to find in the Commissioner's report that the increase in recruitment to the special constabulary is continuing, and to note that in the first month an extra 125 recruits joined the special constabulary. However, more can be done, in particular by Home Office Ministers, by increasing the specials' allowances. That will have a substantial and beneficial effect on increasing recruitment. The Commissioner has imaginative programmes for the deployment and use of the specials.

I regret that in the speeches of both my right hon. and learned Friend and the right hon. Gentleman there was no reference to traffic accidents and road safety. They made a great many references to violent crime in the capital. Violent crime undoubtedly worries a great many of my constituents. During the past 12 months many people have been killed and injured because of it. But even in our violent capital city the average citizen is three times as likely to be killed or injured by a motorist than by a criminal.

In my London borough of Bromley in 1984 no fewer than 1,639 people were injured and 15 killed in road accidents. That is three times the number who suffered death or injury at the hands of criminals. Therefore, I regret that in the past couple of years the Commissioner has seen fit to move officers from the traffic section, which is responsible for road safety, rather than to increase and strengthen it. There are 27,000 Metropolitan men and women police officers. The strength of the traffic branch was 1,000—less than 5 per cent. of the force—but the Commissioner has reduced that by some 200. That is a mistaken sense of priorities. My constituents are becoming increasingly worried about road safety and the way in which our traffic laws are ignored.

At the end of last year I visited the state of Victoria in Australia. In the 1970s as a result of a campaign by the press, local politicians, doctors and the police, the state was able to halve the number of road fatalities. I learnt that the state put 20 per cent. of the force on traffic safety. No police force here comes within half that figure. We should give the subject a higher priority.

My right hon. and learned Friend and the right hon. Gentleman made scant reference to fraud and white collar crime, yet this year fraud in the City and elsewhere has been increasing substantially. The saga at Lloyds is a reminder that we have not got this aspect of policing quite right. In this matter, although not in many others, we could learn considerably by studying the crime fighting organisation across the Atlantic. The American system of district attorney offices is more effective in combating fraud than our system of the fraud squad and Director of Public Prosecutions. I hope that that can be looked at. I do not cast aspersions on the intellectual calibre of the recruits to the Metropolitan police because one of the best features of the Commissioner's report is his emphasis on their high quality.

Fraud is not as eye-catching a subject as terrorism. Again, we all have reason to pay tribute to the skill and courage of the police, and to single out for praise the anti-terrorist squad, which does so much to protect us from the outrages of evil men.

One aspect of the terrorist problem does not often get the attention that it deserves. We see London as a prime target for terrorism, but other countries and other police forces sometimes regard London as a home for terrorists. In considering our problems with the Provisional IRA we are often very ready to criticise the American authorities

for a perceived lack of vigour in tackling IRA support in various cities in the United States. Yet we have the same problem.

I have considerable sympathy for the Sikh community in this country and I recognise that many of its members have substantial grievances in relation to past policies of the Indian Government. Nevertheless, there is substantial concern on the part of the Indian Government that various Sikh groups in this country are giving overt or covert support to terrorism in the Indian subcontinent. The anti-terrorist branch of the Metropolitan police cannot be expected to deal with that problem single handed. There should be substantial co-operation between the Foreign Office and the Metropolitan police, which does not seem to exist at present, in the surveillance and control of groups who from time to time seek to foster terrorism overseas. We give an extraordinary latitude in freedom and of speech and action to those who seek asylum here as political refugees, but we must ensure that they do not abuse that asylum. I am sure, however, that in this as in so many other tasks the Metropolitan police will prove yet again that they are equal to the challenge.

11.2 am

Mr. Nigel Spearing (Newham, South): Before dealing with the Commissioner's report, I wish to comment on some of the points raised in the debate so far.

Terrorism is one of the problems that London has to face, as the hon. Member for Beckenham (Sir P. Goodhart) rightly said, but terrorism arises from those who believe that they are so enlightened and have so much access to the truth that they are prepared to use violence in pursuit of their faith. Causing bodily harm with bombs and rockets catches the headlines, as the distressful events of the past few days have shown, but there are other kinds of violence. I am sorry that the Home Secretary has left, but I hope that he will read my comments.

I refer to exchanges in the House on an earlier occasion about the severe drain on the Metropolitan police caused by the miners' dispute and its profound effect on the morale, activities and attitudes of the Metropolitan police. I believe that that dispute was unnecessary, but Conservative Members laughed out loud when my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) dared to suggest that it might have been deliberately precipitated. This is a debating Chamber and I wish to dwell for a moment on that issue because it is a well-known and well-documented fact that five years or more ago a certain right hon. Gentleman advocated certain lines of action for the Conservative party.

A year ago, I wrote to Mr. MacGregor about Cortonwood. I am not a mining Member, but I happen to know something about that issue. I received no reply from Mr. MacGregor, but I received a reply from his deputy. I am satisfied that the action taken at Cortonwood was provocative and ill-considered and may have been designed to precipitate a dispute. I put it no higher than that, but it is certainly no laughing matter. One of the problems in this country and throughout the world is that people dismiss basic points about so many things that go wrong without properly examining the small print.

Mr. Tracey: This is a very serious matter, but does the hon. Gentleman deny the words of Mr. Arthur Scargill and Mr. Ken Livingstone—the hon. Gentleman is probably more familiar with them than I am—as reported in the *Morning Star*, that they saw the dispute as an opportunity to bring down the Conservative Government? Does he deny those specific words in black and white?

Mr. Spearing: I am not responsible for the remarks of either of those gentlemen or for what is printed in newspapers, but I am concerned about the laughter that greeted my right hon. Friend's suggestion, because laughter is not appropriate when there is evidence to show that the true situation is very deep.

When the Conservatives talk about violence, their immediate reaction is to escalate policing. I do not blame them for that. That is how they have been brought up and that is how they think. They do not go for the root causes or for earlier action to prevent the violence. In that context, I include constitutional violence. I shall not dwell on GCHQ or the Levene case, which would have had Mr. Gladstone revolving in his grave, but there was certainly constitutional violence in those cases.

On the Commissioner's report and the speech of the Home Secretary, I endorse the apposite comments of my right hon. Friend the Member for Gorton, who rightly corrected the short, narrow and somewhat lukewarm introduction from the Home Secretary—who, after all, is the Cabinet Minister responsible to the House for these matters. I welcome the wide scope of the Commissioner's report. It gives us a great deal more information than we had before and to that extent the Commissioner is to be congratulated.

I also congratulate the Commissioner on two initiatives that he has taken during the year. The Home Secretary has already referred to the first of these — the official attitude of the police to racial attacks. In the end, of course, what really counts is the attitude of individual constables and station sergeants and the way in which the machinery operates when incidents of this kind or the risk of such incidents occur in any given area.

In this context, I pay tribute to the greater sensitivity shown by the police in my part of Newham—I cannot speak for any other part. These matters depend on sensitivity and local links, which may not necessarily be formal, and on confidence and co-ordination between the police and leaders in the community. That is something for which one cannot legislate and which cannot be created by writing enlightened paragraphs into annual reports or making enlightened speeches on the subject. It has to be worked on, people have to take initiatives, and the police are in a central position because it is they who are able to take initiatives which will count. So I offer my congratulations to the Commissioner in that respect.

The second cause for congratulation is the Commissioner's initiative in respect of membership of those organisations whose members are not readily identifiable. I leave it at that. It was a bold initiative and a correct one. Any person in public life, whether he is a Member of the House, a policeman or an official in local government, should be known to the public if he has any obligations which may affect the discharge of his public duties. In that respect, the Commissioner's action was welcome and bold.

The theme of the report is community policing. The Home Secretary himself laid stress upon the formal arrangements that he hoped to initiate in the boroughs, and referred to some of the less formal ones. I believe that both are important, but even more fundamental is the combination of theory and practice.

[Mr. Spearing]

What might be called the Newman regime at Scotland Yard has been described by some people as cerebral policing. That is welcome, because the old image of the policeman was that cerebral activity was less marked than some other activities. That bias is welcome, therefore as far as it goes, but it is not enough. We have to think and to discuss, but we have to be practical as well. It is what happens on the street and what happens in incidents as well as what happens in blueprints and theories that makes for success, as it does in all that we do, especially all that Governments do. In that connection, I have some less welcome comments to make, but I hope that they will be regarded as constructive.

The first is in respect of the exercise of new police powers. Under the new Police and Criminal Evidence Act —I cannot remember when it comes into force, but it cannot be very far off — big new powers will be available to police constables on the beat and to the officers who direct them when there are a number together, whether they are whizzing round in white vans or are at large demonstrations.

I shall not go into the merits of that Act, because they have been discussed; in any event my hon. Friend the Member for Norwood (Mr. Fraser) is in a much better position to speak expertly about them than I am. However, the degree to which those powers are used by individual constables in the first instance and the degree of sensitivity, imagination, common sense, sense of proportion and perhaps sense of humour displayed by those constables are all-important. Incidents can be sparked off by any combination or lack of those and rapidly get out of hand. That is very important in the use of these new powers.

We tend to forget that the discretion of a single constable is at the heart of policing. He does not have to use the powers available to him. Deciding that cannot be legislated for by senior officers. It is up to him, because the powers of constables are vested in each member of the force. We can write as many blueprints as we wish in respect of these new powers, many of which are controversial, but the decision to use them rests with the individual constable.

I touched upon my second criticism when I intervened in the Home Secretary's speech. It has to do with the reorganisation, and it is referred to on pages 25 and 26 of the Commissioner's report. I am sorry to see that everything else in the report is to some extent negatived by what has happened, and I regret the lack of reassurance that I was able to obtain from the Home Secretary. If I was disorderly on that occasion, Mr. Deputy Speaker, you will understand why.

The Commissioner's report is extremely enlightened, in theory. He is concerned with public perceptions, public preferences and the priorities that the police have to address to meet the expectations in any one community. However, the reorganisation proposals which have been launched and which I am glad to hear have not yet been completed are fundamental in many ways to how those aims are discharged.

It is generally known in London that the reorganisation of the police into three tiers of command was unsatisfactory. The areas themselves were unsatisfactory. Many of them go back to Victorian times and take no account of the motor car, let alone the helicopter and more recent technological advances. In general, much of what is said on pages 25 and 26 of the report is right. There ought to be larger areas. There ought to be greater scope for senior officers to exercise individual responsibility. It may be that we need to compare some of the new areas with forces outside the United Kingdom for all sorts of reasons, especially bringing in new talent and enabling experienced officers of the Metropolitan police to obtain posts outside. Matters such as that are very important, but overriding all else we have to reflect the needs and expectations of the public, and that is where in one respect there is a grave error.

The Commissioner says on page 26 of his report:

"To date only the broad outlines of the reorganisation have been determined."

The Home Secretary went a bit further and said that it had not been finalised. However, in practical terms it had gone rather further in respect of the allocation of stations, preliminary thoughts about areas, and so on.

One controversial issue that has been around for six months or more is not the principles of the reorganisation, which are generally understood and not too controversial, but the eight new areas which are to be determined.

The theory is that there is to be a petal pattern in London, and I go along with that. There is to be one central area covering the well-understood special needs of Whitehall, Parliament, the Palace, the west end and the City. Round it, there are to be seven other areas going out like a petal covering London. That makes an attractive and common-sense picture. However, certain areas of inner London whose needs are very special will now not be under one unified police command, whatever the quality of police-public relations, but are to be split among as many as three areas.

The single central district is solely north of the river, perhaps with a temporary extension across Westminster bridge if there is a procession. It does not extend to the urban areas of south London.

This will not affect east London greatly, except that in the London borough of Newham there are at present two police districts which are conterminous with broadly different parts of the borough and reflect the different needs and the different things that happen in those areas, some good and some not so good.

The reorganisation in south London which affects the well-being of policing and the community is not oriented to those needs. Worse, there was not adequate consultation before the possibility of an extra area in the south was ruled out. This is a major reorganisation, and the Home Secretary admitted that there was not satisfactory early consultation. I understand that business organisations were consulted, not about their views of the reorganisation, but about administration. However, hon. Members were not consulted.

Many commercial organisations to which the Government urge us to go for expertise have certain qualities but providing a complex service immediately is not their responsibility. Marks and Spencer, McDonald's and other big food companies do not have to stock anything that they do not want to sell. They do not have to be where they do not want to be. Modern business, which is so lauded by Government Members, does not have to cater for complex needs in the same way as the Health Service or the police. Inbuilt constraints and qualities are entirely absent.

The police, like the fire and the ambulance services and local authority social services, which Government Members so often criticise, have to meet difficult and intractable situations. They cannot refuse to meet the demand. Marks and Spencer does not have to stock anything that it does not want to stock. The opposite is true of the police and many other civic services.

The people who are involved in comparable spheres, such as probation officers, social workers, local authority councillors and, indeed, Members of Parliament, must be consulted. I hope that Government Members agree with me, because they know that many problems are almost insoluble and require a great deal of capital effort by them and others before they can be solved. Such problems require the commitment of personal time so that they do not escalate. Communication with others skilled in particular arts is essential. Keen Government Members will have developed a network of communication locally, involving a host of people upon whose advice and co-operation they can rely and which is readily given. Without that, we could not fulfil our function.

Such a network is often related to a civic structure. Everything is centred on the town halls, particularly in London. The statutory structure of local government—what is left of it—is under pressure. Splitting a single London borough three ways for policing will create difficulties. Inner London, with its own historic, social and ethnic problems, is to be split so that the area headquarters and the weight of activity is in the outer areas. That will cause trouble.

I understand that the area of conflagration four summers ago will be subject to such a dissection. Everyone asked then, "What's gone wrong?" We know what went wrong —stop and search in Brixton was used ill-advisedly. There was an escalation caused by the misuse of police powers and the incident got out of control. That was at a time when there was a single police command. Conditions and understanding have improved, but that is all to be changed.

Some hon. Members laughed when I mentioned the Cortonwood example. There has been no proper analysis of the police role, in spite of all the brave words in the report and the excellence of hon. Members' speeches.

Whitehall, Buckingham Palace, the west end and the City are exceptional and need a different type of policing. That area is unique and perhaps experience there will not stand an officer in good stead for promotion in a county or provincial town. However, unless we pay attention to the special needs of other parts of London which are dissimilar to the outer areas and which can have a coherent police presence, whereby all the sensitivities listed in the report can be dealt with as a whole, the rest of the report might as well be forgotten.

I hope that it is not too late. During the Home Secretary's speech, I asked whether he could assure us that we could re-examine the proposal for eight areas. On the spot, he was unable to give me that assurance, and I understand that, but the fact that he could not give that assurance shows that insufficient attention has been paid to that aspect. It is a factor which involves not only the House but the morale of the police. It is a matter for the practical men who understand the problems and know what is required.

I support what my right hon. Friend the Member for Gorton said. I give two cheers for this enlarged and informative report. I hope that cerebral policing can be extended to practical policing and that the combination of both will give us a police force of which London can be proud and in which we can have confidence.

11.26 am

Mr. John Wheeler (Westminster, North): I am glad to follow the hon. Member for Newham, South (Mr. Spearing) and I welcome his thoughtful speech. I join him in congratulating the Commissioner on the excellent quality and constructive nature of the report.

Alas, one can only say that the speech by the right hon. Member for Manchester, Gorton (Mr. Kaufman) was long on invective but short on solutions. The only part of his speech about which the House can unite is that which referred to the bravery and courage of PC Gordon. The House will be aware from the Commissioner's report that many thousands of Metropolitan police officers are injured when on duty. We offer them all our best wishes. We recognise their bravery and courage in the way in which they carry out their duties in London, often under difficult circumstances.

The right hon. Member for Gorton seems to have forgotten the state of the police force before the Conservative Administration came to office in 1979. One of the most urgent and pressing tasks facing the new Conservative Government was to rebuild the police force, which had been neglected for some years and was in serious danger of becoming demoralised. That was affecting public confidence in the police.

As the Commissioner shows in his excellent report, the police themselves are the first to recognise that public support must be won and kept rather than taken for granted. Urgent action was needed in 1979 to boost confidence all round.

As is all too obvious from the newspapers and the media programmes these days, the police face an ever-increasing number of problems. Their priorities must be adjusted to reflect the crimes which worry the public most. As an example, in London the Metropolitan police have rightly made drug abuse, racial attacks and vandalism priorities for 1985 in response to public anxiety.

As a member of the Home Affairs Select Committee since 1979, I have taken a special interest in the police and race relations. Next Session the Race Relations and Immigration Sub-Committee intends to carry out an inquiry in the Bangladesh community. We shall examine the policing aspects, especially in the east end of London. It is important that all London citizens should feel that the police service relates to them and that their special problems are being considered.

When considering the extent of police resources, it is important for the House to remember that, since 1979, the resources allocated to the police have more than doubled, from £1·1 billion to £2·8 billion, and that total police manpower in England and Wales has increased by more than 12,000. However, in London, the Metropolitan police force—one of the oldest forces in Europe—has a supremely difficult task. It is responsible for nearly 7 million people who live in the Greater London area, as well as for the millions of people who visit the capital during the year. It also has responsibility for royalty and diplomatic protection, which has increased enormously in this age of terrorism. The fight against terrorism and the provision of special services, such as the central criminal intelligence office, and many other central responsibilities of the Metropolitan police are additional burdens.

[Mr. John Wheeler]

To help to counter London's crime the strength of the Metropolitan police has increased by 5,850 officers since 1979, to give it a total strength now of about 26,750. It is interesting to note that there is still scope for finding at least 400 more recruits to join the Metropolitan police today. In addition, the number of civilian support staff has increased by more than 1,250. Many of those civilian employees provide important services in the investigation and detection of crime.

No one pretends that increasing police strength alone is sufficient to beat crime, but without the increase the force, which was well below the recommended manpower level in 1979, simply could not have coped with the range of burdens that it must shoulder in 1985.

One way of making the best use of the resources allocated, which tackles not just the reality but the debilitating fear of crime, is to have more police officers on the beat. I am pleased to say that, since 1982, 942 police officers have been added to the Metropolitan police strength for street duties. That at least provides a reassurance to the public that the police are present.

The right hon. Member for Gorton was highly selective in his use of statistics from the Commissioner's report. The House should know that, in the past year, the Metropolitan police have had an excellent record of clearing up serious crimes. The clear-up rate for homicide was 77 per cent. — few capital cities in the world could equal that. Arrests for drug trafficking increased by 31 per cent. from the 1983 figure to 1,781. The clear-up rate for blackmail and wounding was 55 per cent. Despite those impressive figures, the performance in overall clear-up rate remained at 17 per cent.—the same as in 1983.

That has happened because the vast amount of crime is random and opportunistic and, therefore, difficult to detect. Burglary and car theft occur when the opportunity is given; a door or window is left unsecured and temptation occurs. Such crimes often happen out of sight of a patrolling police officer, and only more community-based crime prevention tactics will help to remove the opportunities.

It is worth considering the true nature of the crime problem in London. Auto crime represents at least 30 per cent. of all recorded crimes in London, while burglary represents almost 24 per cent. and criminal damage represents more than 14 per cent. Those crimes and other thefts represent 95 per cent. of all reported crime in London. The difficulty is that patrolling police officers, however welcome and reassuring they may be, rarely come across such crimes while they are on duty. Since those crimes are often crimes of stealth, they are usually committed in private property or out of sight of any witness.

I especially welcome the efforts being made by the Home Office crime prevention unit and members of the Standing Conference on Crime Prevention to develop strategies to deal with auto crime and residential burglary. The conference which my right hon. and learned Friend the Home Secretary will hold in November will provide a welcome contribution and a constructive way of dealing with such crimes by involving the public and the whole community. That is the way ahead in dealing with the great mass of property crime. We should not listen to nonsense from the right hon. Member for Gorton, who had no solutions to offer.

The Commissioner of Police of the Metropolis, Sir Kenneth Newman, also agrees that tackling crime, specially property and auto crime, requires the involvement of the community. His report clearly shows that the drive to create professionalism in the police service in London is a most important way to achieve a reduction in London's crime problem. He and I share the belief that the key to success is public co-operation, and a major contribution to crime prevention is already being made by local communities. In London, 19 crime prevention panels have been set up, and there are 1,150 neighbourhood watch schemes in the Metropolitan police district, with 400 more being planned. Plans are afoot to extend such schemes to businesses. About 22 police community consultative groups have been established to liaise between the police and the communities.

As hon. Members must know from their constituencies, the neighbourhood watch schemes are producing dividends. One can see the circulars from the police officers responsible for those schemes, which measure the success in the reduction of property crime, which causes so much distress to ordinary people on our large estates and in residential homes. We can see a reduction beginning to take place, and we all have a duty to sustain and encourage such initiatives.

Mr. Clive Soley (Hammersmith): I do not wish to discourage the hon. Gentleman, but if he can see a reduction taking place, why is it not reflected in the quarterly statistics?

Mr. Wheeler: As the hon. Gentleman will know from his local authority area, much effort is being made to reduce crime. We are talking about the Commissioner's report for 1984. We must all hope that, when we have this debate in 1986, the efforts of the neighbourhood watch schemes and other strategies will have produced the result which he and I want.

Mr. Soley: The hon. Gentleman knows that he has not answered my point. He is giving circumstantial evidence about how well the scheme is working. I shall have something to say about the schemes in due course. I do not oppose them, but the hon. Gentleman has no evidence for what he said, and the quarterly statistics suggest that he is incorrect.

Mr. Wheeler: I have evidence, because I have seen some of the circulars which the officers responsible for those schemes have issued to the public, comparing figures to demonstrate that there has been a reduction. Whatever the hon. Gentleman may say about the scheme, it is the way forward. It has only just begun, and we must encourage and sustain its momentum and analyse it so that we can encourage it further.

I should tell my hon. Friend the Minister that if the police community consultative groups are to be successful — many dedicated people are involved in them who want to make them successful—they must have some modest funding to provide an infrastructure. If that is missing, the schemes will not succeed. I hope that my hon. Friend will give urgent consideration to this important point.

The police in London have another problem, which is perhaps as wounding and destructive as crime itself. I am thinking of the attacks upon the Metropolitan police by the GLC and by some, although only some, Labour-controlled councils.

Particularly damaging is a recent video entitled "Policing London", to which reference has been made, which was produced at a cost of £35,000 of ratepayers' money and which is already being shown to many schoolchildren in London. The video purports to argue the case for what is called the "democratic control" of the Metropolitan police. What it amounts to is an insidious and vicious attack on the police, hawked around London under the most flimsy of political excuses and deliberately shown to the most impressionable members of the community, our children.

In the film, the police are shown as guilty of every fault in the book. There is, of course, plenty of room for legitimate criticism, and nobody has been more ready to respond to it than Sir Kenneth Newman. He has recently issued a pamphlet entitled "Guidance for Professional Behaviour" to all his officers. It deals constructively with many of the criticisms raised in the report on the Metropolitan police.

I am particularly angry about the cowardice and bigotry that lies behind it all. Just when real efforts are being made to mobilise the whole community in the fight against London's crime, there are now many schools and clubs in London where the police are not even allowed in to meet young people and explain their work in fighting crime and providing protection for us all.

The film's slogan—"Communities must rebel"—is the final straw. If the GLC really wishes to sow problems for the police force in London for many generations to come, it could not do a better job. I only hope that the forces of sense, sanity and responsibility will prevail. It would help if, for once, the right hon. Member for Gorton said, "Having seen that clap trap, I am convinced that it does nothing to advance the wellbeing of the community in London, nor of the efforts of the police", and that he and his party would disown it.

11.42 am

Mr. John Cartwright (Woolwich): I agree with many of the comments of the hon. Member for Westminster, North (Mr. Wheeler) and particularly with his major theme — that we cannot tackle the appalling problems of London's crime simply by saying that it is simply a matter for the police and that the community has no responsibility. It is clear that the community has a role in helping to tackle many of the problems of crime that we are debating today.

Because of that, I greatly regret that the Metropolitan police should have become the butt of the sort of political controversy that has surrounded its activities in recent years. It is all very well for people to hold differing views about the best ways of achieving operational effectiveness, but what we have seen in recent years from some on the Left—I stress, only from some—is a constant flow of anti-police propaganda which seems to be aimed at undermining public confidence in the police. From some on the Right—again, only from some—we have total, uncritical and unquestioning support for the police. Neither is helpful in the current situation.

The majority of Londoners value the discretion that the police have, and are opposed to attempts to introduce political control over the day-to-day operations of the Metropolitan police. However, that discretion is a privilege which must be exercised with skill and sensitivity. The objective must clearly be policing by consent and we must always be on the look-out for new ways of establishing that element of consent.

The police consultative committees are an important way of helping to achieve that objective. They provide a vital bridge between the police and the community. They need time to build up public confidence in their effectiveness and they need to show real results to convince the doubters, but they have a considerable role to play.

I regret the attitude of some boroughs, mine included, which want liaison with the police solely on their own terms. They do not want more community involvement in a police consultative committee and their objective is much less to do with consultation than with control over the police. If those authorities are adamant in refusing to play a part in the development of genuine consultative machinery, the Home Secretary should not hesitate to bypass them and establish effective grass roots-based community liaison committees and consultative machinery in those areas.

Also important in developing the idea of policing by consent are the hard-pressed inner city areas of London, where greater priority should be placed by the police on operational sensitivity. The hon. Member for Westminster, North said that the majority of crime, certainly in the inner cities, was ordinary, routine, bread-and-butter house-breaking and burglary. The complaint that I most often receive from constituents is either that the police did not bother to come at all, if it was a minor matter, or that they came, showed little interest and went away and nothing more was heard about the incident.

I appreciate the pressures on the police. Routine break-ins are a fact of life and there is little chance of anything very effective being done about them. Nevertheless, for the individual concerned, the person who suffered the break-in, it is a traumatic experience. Greater recognition of that by police officers would go a long way to strengthening relationships with the community.

The same is true of the ethnic minorities. We should recall what Lord Scarman said in his report following the 1981 riots. He pointed out that, in the already deprived areas,

> "the black community suffers more severely than the white community from the deprivations found in the inner city, especially in relation to unemployment, educational achievement and housing."

That should be at the forefront of the minds of those concerned with policing in the inner cities.

If I were in a senior position in the Metropolitan police, I should be extremely concerned about the view of many black and brown Londoners that the police are not on their side and form an alien force. We need a greater concentration of skilled police resources in the inner cities to counter that problem. It is no use putting into the inner cities comparatively new recruits who do not have the expertise to deal with these different problems.

Related to policing by consent and the need to develop public confidence is the question of complaints machinery. I appreciate that we should not get complaints against the police out of perspective. I welcome what is being done under the 1984 Act to try to develop conciliation on minor matters so that such issues do not have to go through the plethora of complaints machinery. I also welcome the introduction of the new police complaints authority and its ability to monitor the

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investigation of more serious complaints. However, for most ordinary people the idea that the police should investigate complaints against the police is not acceptable. They do not believe that the investigation will be as impartial and objective as it must be to inspire public confidence.

I am glad that, in the report of the Commissioner, considerable emphasis is placed on crime prevention. As the hon. Member for Westminster, North said, there must be greater co-operation between the wider community and the police in, for example, a number of elements in public administration in London.

Housing is one such element. The design of many London council estates makes them a paradise for vandals, muggers and hooligans. They are full of opportunities for criminals to prey on their victims and provide ample ways for offenders to get away rapidly before the police arrive on the scene. More attention to that sort of problem would reduce many of the risks that our constituents have to face.

It is also true that the standard of housing management has an effect on crime levels. If flats or houses are left empty for long periods, if vandalism is not swiftly countered, if lifts are left unrepaired and if bread-and-butter administrative matters are not dealt with properly, a higher level of crime is encouraged. Many of my constituents argue, with considerable justification, for greater investment in the provision of entryphones, in reducing public access to council estates and in providing more caretakers and, in extreme instances, a concierge system. Although it would cost money, the expense must be offset against the cost of repairing the consequences of vandalism and hooliganism. My constituents argue that sensible investment of this sort would be good value for money and cost effective in terms of crime prevention.

The development of neighbourhood watch schemes is encouraging, but the numbers of such schemes are small when compared with the problem of routine crime in London. There is worrying evidence that neighbourhood watch schemes have been most successful in middle-class areas, where it is possible to find people who are prepared to contribute the time and effort necessary. The schemes in these areas have raised the awareness of the need to prevent crime. They have involved the local community in devising initiatives of their own and they have improved relations between the police and the community.

Unfortunately, there has been less progress in the development of neighbourhood watch schemes on council estates. Burglary and mugging is not confined to the comfortable parts of London. The worst examples occur in council estates. Many of my constituents' homes have been broken into twice and three times. We all know that the lone pensioner feels especially at risk on many council estates.

We should ensure that greater effort is directed to encouraging the development of neighbourhood watch schemes on council estates, and the Woolwich police force has been attempting to do so. The Woolwich divisional report shows that there has been some progress. In view of one of the comments made by the hon. Member for Hammersmith (Mr. Soley), it is worth repeating what appears in the recently published report of the Woolwich division. It states:

"The schemes are obviously aimed at reducing crime and there is some evidence to show a degree of success."

The report continues to underline a problem when it says: "the main element in reducing crime relies on the publicity given in these areas that a neighbourhood watch scheme exists."

A problem has been encountered in Woolwich in obtaining planning permission to display neighbourhood watch scheme signs, and to date none has been placed. I investigated the matter and I found that the difficulty lay more in lack of ability to reach an agreement between the police and Greenwich council than in obtaining planning permission.

The Woolwich police want neighbourhood watch signs to be placed on lamp posts throughout the areas where the schemes operate. Greenwich council says yes, provided that the police pay £40 for every sign that is erected. The police contend that the signs will benefit the community and that the council should therefore meet the cost. The council says no and argues that it costs £40 to erect a sign and that the police must pay £40 before a sign is erected. There is now a complete impasse. I would not mind so much if virtually every lamp post in my constituency did not already bear a sign erected by the London borough of Greenwich. Some of them are reasonable. For example, some signs draw attention to traffic problems and litter problems and other matters of general interest. However, some are political. They refer, for example, to nuclear disarmament, rate capping and other issues of political concern to the council.

The council is spending a good deal of money on lamp-post signs and I cannot understand why it refuses to assist the police in areas where neighbourhood watch schemes operate. Surely £40 a lamp post would be a good investment for the borough council.

I take up the remarks that have been made about improved efficiency and professionalism. I am glad that, in the Commissioner's report, there is a considerable commitment to improving both these objectives. The force reorganisation is a step in the right direction but, like others, I regret the lack of consultation before the reorganisation was launched. The Metropolitan police are seeking to strengthen links with the community and it would have been useful to have delayed the implementation of the initial stages of reorganisation while some local consultation took place.

It is important, whatever form of organisation we have, that there are not rapid shifts of key officers. We have frequently complained about the speed with which commanders, for example, have been moved in the London area. If the Metropolitan police are trying through the divisional system to develop genuine links with local communities, it is clearly extremely important that key officers are able to stay long enough in any one area to ensure that personal links are established. That must be a considerable priority.

I welcome the improvements in training that are referred to in the Commissioner's report, but I regret that one of the Lord Scarman's main recommendations seems not to have been accepted. He recommended that there should be a minimum of six months' training for every recruit. That seems to be a reasonable objective, given the situation in London, and I am sorry that the recommendation is not being implemented.

There is a case for far more priority to be given to in-service training, especially in areas that bear on relationships between ordinary police officers and members of the public. Some officers are very good, but others have a good deal to learn about how to handle

members of the public. When there are pressures, as in inner London, in-service training to improve relationships between police officers and the public should have high priority.

The Government can claim genuinely to have provided considerable additional financial support for the Metropolitan police. That is true of improved manpower, better pay and conditions for individual officers and the modernisation of methods and equipment. However, at this stage, Londoners cannot say that they are seeing a genuine return on that investment. They are not seeing a substantial reduction in crime and they do not have a greater sense of security particularly in the inner London area. Given the money that has been invested, Londoners are entitled to look for considerable improvements in the near future.

11.57 am

Mr. Nigel Forman (Carshalton and Wallington): I apologise at the outset, Mr. Deputy Speaker, for the fact that I shall not be able to remain in my place until the end of the debate. However, I look forward to reading the Minister's reply in *Hansard*.

Nearly everyone in the House and in the country will agree that few matters are more important than the maintenance of law and order and the combating of crime by appropriate efforts. That is especially true of my constituents in Carshalton and Wallington who live and work within the Epsom division of Z district in the Metropolitan police area. Perhaps not all hon. Members are aware that the Epsom division is the largest in the Metropolitan police area and the fifth busiest division in the entire Metropolitan police force. Therefore, I make no apology for concentrating on the problems and prospects of policing within the division.

As my right hon. and learned Friend the Home Secretary rightly said at the outset of the debate, the Commissioner has identified divisions as the key policing units within the metropolitan area. I shall become more local by saying that I am acutely interested in the policing conditions of the Wallington sub-division, which is virtually conterminous with the boundaries of my constituency.

The problems of the Epsom division are well set out in the 1984 divisional strategic plan, which is one of the component elements of which the Commissioner, Sir Kenneth Newman, has to take account in formulating his plans for the entire metropolitan area. The clear priorities identified for the division, were, first, the reduction of burglary; secondly, the reduction of auto crime; and thirdly, tackling problems of road safety and traffic management.

I agree that those are all important problems with which the police must deal, but I should like to see an equally high priority attached to dealing more effectively with the problems of vandalism and hooliganism, which the Commissioner identifies in paragraph 52 of his report as one of the top policing priorities for 1985.

In advocating solutions for improving law and order in my part of south London, the divisional report gives priority to the containment, detection and punishment of burglary when people are convicted. It puts great stress on the value of preventive measures such as "neighbourhood watch" as a way of stopping these problems at source. It also foreshadows intensified police action directed to combating auto crime and improving road safety. I stress once again that more police attention should be devoted not just to those two aspects of policing, but to the related problems of vandalism and hooliganism.

My constituents believe, and many of them have written to tell me this, that such behaviour is anti-social and thoroughly offensive, and causes intolerable fear to and anxiety for many people, especially the elderly, on large estates. It must be a priority to ensure that when detected and convicted those offenders are dealt with severely by the courts and go to prison for long periods.

It has not been easy in recent times for the police to achieve all that they would have liked to achieve, especially as the miners' dispute, which has been mentioned, and the many demonstrations that take place in central London almost every week have placed enormous extra demands on the force. That has been felt by the divisions from what one might call the suburban parts of the metropolitan area, such as my constituency, which have had to supply extra manpower in mutual aid to the centre.

We may still be feeling some of the longer-term effects of those damaging disputes and demonstrations. Police leave had to be shelved at the time of the miners' dispute and it is now being taken up, with the inevitable consequences for police cover in areas such as mine.

I suggest that the answers to the various policing problems that I have identified must be found in a sensible combination of measures. Clearly, we need more police. That is something to which I shall return. We need more of the available police on the beat. In that context, I draw my hon. Friend's attention to the paragraph in the divisional strategic plan for the Epsom division, which makes this pertinent comment on public attitudes:

> "During the preparation of this year's plan, a number of opinion formers within the community were canvassed by letter in an effort to produce a strategy that also reflected the views of the community. The theme which ran through all responses was that police must be seen. The presence of a policeman in uniform in the street is seen to be one factor which reassures the public that crime is being kept under control."

That is what the public want. I believe that the opinion formers were speaking for the public, and I hope that that emphasis will be continued in the policing of the Metropolitan area.

The third element must be to place more emphasis on all forms of crime prevention, as the hon. Member for Woolwich (Mr. Cartwright) and many others have said. Fourthly, and vitally important, there must be more police co-operation with the public in all appropriate forums and ways.

On that last point, I commend the idea of local police liaison committees. I am familiar with the workings of the police liaison committee in the London borough of Sutton. I should like to see even more fruitful contacts maintained and developed between local officers and schools and many other institutions involving young people.

I have had the good fortune to go out with the police from Sutton in some of their rapid response vehicles, in particular on a Friday evening, which is one of the peak periods for crime. I have also been out on the beat with neighbourhood policemen and local beat officers in the Wallington sub-division. I can vouch for the fact that the combination of those high technology quick-response methods plus the traditional methods of policemen on the beat, on bicycles and in their neighbourhood communities, is a powerful combination and helps the police to do the job as well as possible.

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I am, therefore, a strong believer in the preventive advantages of community policing. However, when all that is said and done, still more needs to be addressed. There is no getting away from the Commissioner's recent warning, which has been widely publicised, that without even more resources for the Metropolitan police, it will be difficult to provide the capital with the protection and the reassurance which it needs and the public deserve. As one of my local newspapers, the *Wallington Advertiser*, put it recently in an excellent editorial:

"The only real answer to increased crime is increased policing. That means more money for the police which this 'law and order' Government should remember if they want to retain the loyalty of areas such as the borough of Sutton."

The Government, whom I support, must face the need to set higher establishment figures for the Metropolitan police, and ones which are truly commensurate with the demands of combating rising crime and lawlessness which unhappily afflict the metropolitan area.

I recognise all that the Government have done and the figures which were quoted by my right hon. and learned Friend the Home Secretary. I pay tribute to him and to his predecessors for building up the police in the way that they have done. My constituents appreciate that, but I must make a point about the long-term aspects which I should like my right hon. and learned Friend and his colleagues in the Home Office to consider carefully.

If we take a longer view and study policing in the metropolitan area back to just before the last war, we find that since 1938 the population of the Metropolitan police district has declined by about 15 per cent., but that recorded crime over the same period has increased by an alarming 660 per cent., while the establishment of the Metropolitan police has increased by only 39 per cent. Even though we now have an establishment of 27,165 officers and an actual strength that is commendably close to that level, the long-term trends to which I have drawn attention should merit the close consideration of Home Office Ministers, in particular in any negotiations that they have with their colleagues in the Treasury.

I believe that we should be prepared to find the necessary extra resources to enable us to meet the higher and more realistic establishment levels that we must attain. I make no apology for stressing that the extra policing responsibilities of the Metropolitan police must be recognised in that way. I suggest strongly that within those larger establishment figures a higher priority should be given to meeting the growing policing needs of the Epsom division and, especially, the Wallington sub-division within it. In that way, more effective action can be taken to deal with crime and lawlessness at source and to improve the still too low detection and clear-up rates for many crimes.

I acknowledge that the most serious crimes have a commendably high detection and clear-up rate, but the House should realise—I am sure that it does—that many of our constituents are equally worried about some of the less serious crimes, such as burglary, which affect them directly.

I wish the Metropolitan police well. I congratulate the Commissioner on his report. I realise that the police have a variety of difficult tasks to perform and that in many ways they are expected to perform social as well as policing tasks, which complicates the position. We must resolve to give the police the extra resources and support that they need. I am confident that in that way we can make further progress in dealing with the difficult problem of lawlessness and crime.

12.9 pm

Mr. John Fraser (Norwood): The hon. Member for Carshalton and Wallington (Mr. Forman) said that the response to more crime should be more police. To an extent, there has to be an immediate response to protect the community. However, what divides hon. Members is the fact that some of us believe that the response to more crime also has to be more homes, more jobs, more stability and less poverty, because there is an inescapable connection between the degradation and indignity to which many people are subjected in our inner cities and levels of crime. If one correlates the most depressed areas with the greatest indices of deprivation, one sees that they also have the most crime. There is no way out of that problem simply by providing more resources for the police, although I would not disagree that there are circumstances in which that has to be done.

I welcome the open and frank style of the Commissioner in his report. On page 13, one tries to spot one's own constituency. On that page, the Commissioner frankly sets out the problems when there has been drug dealing, when one has to satisfy the demands of the local community which does not want that anti-social activity, while at the same time the police do not want to damage the support that has been built up throughout the whole community, by going in in a rough and unfeeling way. The way in which the Commissioner poses those problems is a frank admission of his difficulties. He is also frank in dealing with some past mistakes, although I do not always agree with his conclusions.

For instance, the Commissioner says that the Vagrancy Act 1824 could have remained on the statute book if it had been more sensitively used by police officers. He believes that we need not have had the Bail Act 1976 if the police had been more sensitive. I have no doubt that it was right to get rid of the Vagrancy Act and introduce the Bail Act, but I do not take credit away from him for recognising weaknesses in the past and building on experience.

We welcome the increasing clear-up rates where they take place, as well as the Commissioner's emphasis upon co-operation with the community. Although overall crime has continued to rise in Lambeth, there have been some dramatic improvements in relations between the police and the public as well as in clear-up rates, as a result of community activity and co-operation between the police and local groups. Part of the success has come from increasing co-operation between the police and the local authority. When one reads what local authorities say about the police and what the police sometimes say about the local authorities, one would not always know that that was so, but under the surface I believe that there is growing co-operation particularly between housing departments and local police forces. The Government must recognise the importance of retaining the link between the police and local authorities, particularly after the abolition of the Greater London council and the end of any strategic authority for London.

The Government must recognise that one day local authorities will play a part in the accountability of the police. Anything that tears apart the relationship between the police and their local authority is wrong. My local

police consultative committee has been disappointed with the Commissioner's plans to break up the districts. Lambeth police had the same boundary as the local authority. We were particularly disappointed because that proposal was made without prior consultation. We were told that the broad framework of the reorganisation of the London police had been established, and there was to be consultaion only on the detail. That was wrong. The closer that the organisation of the police force can grow towards the organisation of local government the better.

One notes from the Home Secretary's remarks that there are now 5,000 more police and civilians on the staff. We all recognise that one of the reasons why we are elected to Parliament is to protect the citizen from violence and theft so that he is safe in his own home and upon the streets. That is our duty, but the Home Secretary has completely failed to discharge that task. There is no evidence in the report that any of the duties that the right hon. and learned Gentleman takes upon himself have been discharged.

The hon. Member for Westminster, North (Mr. Wheeler) said that there was a breakdown of confidence in the police in 1979. He welcomed the report and the extent to which it mapped out the success in rebuilding morale since then. However, since 1979 there had been an increase of 30 per cent. in recorded crime in London, yet between 1977 and 1979 there was a reduction in recorded crime. I should have thought that the police would draw more confidence and morale from a reduction in recorded crime than from an increase of 30 per cent. over the past six years.

Even in the past year there has been a failure—crime in London has risen by 9 per cent., which is higher than the national average. That has happened although, as he said, the Home Secretary has added the equivalent of the entire Merseyside police force to the establishment of the Metropolitan police. The clear-up rate in London is far too low. At 17 per cent. it compares extremely unfavourably with other conurbations where the clear-up rate is two to three times better. It is no better in my constituency than elsewhere.

My people continue to be failed. In Lambeth, the chances of being robbed or being the victim of crime are almost three times greater than in the rest of the country. That is not right. There is an insufficient perception about who the victims of crime are. Some people have a sentimental, sloppy view that crime involves a transfer of resources from the rich to the poor, that somehow there is a Robin Hood element in the criminal fraternity that brings about the transfer of resources. That could not be further from the truth. I have always taken such an interest in the policing of my constituency and my borough because I know that the victims of crime are among the poorest in the community. The chances of being robbed on the streets of Lambeth are about 20 times higher than on the streets of Kingston upon Thames or Richmond upon Thames. If one is affluent enough to have a car, the chances of being robbed when one is doing the shopping or of having a chain snatched from around one's neck are far fewer than for those who have to walk home or queue for a bus.

The same is true for the pattern of burglaries. A survey of one of my estates showed that about 40 per cent. of the inhabitants had a personal acquaintance with burglary, either of themselves or of an immediate neighbour. That is an extraordinarily high figure. It underlines the fact that the victims of crime tend to be the poorest and most vulnerable in the community. Any idea that such crime is directed by poor people against the rich is not true, certainly not numerically.

Despite the growth of crime in London by 30 per cent. in five years, and 9 per cent. over the past year, the Government are responding to the problems of crime in the same way as they do to the problems of housing, health care and so on. They have decided that monetarism is more important than a safe community. They have now announced the cash limiting — the rate capping as it were—of the Metropolitan police, as well as of several boroughs. It is no good the Government pretending that, once they start capping expenditure and resources in that way, it does not have some effect on policing.

A paragraph in the report, quoted by my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman), makes this clear:

> "If we rise, for example, to a centrally counselled drive against drugs, which brings heavy demands on manpower through round-the-clock surveillance, then the existence of finite ceilings to manpower will dictate the removal of officers from other duties."

The moment that one starts limiting the expenditure that the police believe they should undertake, somebody will suffer. We must recognise that the drive against drugs is an extremely expensive and detailed operation. I know that from my constituency, where, over several months, the police mounted a carefully targeted operation to catch the dealers, not the punters. In that way they caught the real criminals and did not alienate those who simply dabbled in a joint or two of cannabis. It was an extremely successful operation, but it cost money. If we are to have expenditure limits on policing a borough such as mine, something must suffer, and I suspect that people will suffer. They will be burgled at home or experience what are called "opportunistic crimes".

More money must be spent on detailed surveillance to tackle the heroin problem. The police have not caught a worthwhile heroin dealer if he is an addict. It is easy to push up the number of dealers who have been caught, to put them behind bars and to parade those statistics, but if only people who are addicted to heroin are being caught, there has been no success.

The pattern of heroin dealing and consumption in south London is rather like pyramid selling. Once somebody becomes addicted to heroin, he can usually satisfy that addiction only by going into crime or by becoming a dealer. Such a person needs 10 or 12 customers to provide enough profit to satisfy the habit. When the addict's new customers themselves become addicts, they will need another 10 or 12 customers, who will probably become addicts, to supply the profit to sustain their addition. Once addicted, people are likely to get caught — heroin addiction rots their brains, among other things.

There must be a much higher level of police surveillance targeted at those who make the real money. That entails resources. It would be ridiculous to cap any such expenditure, whether by reducing the amount of money spent on catching dealers or by reducing expenditure on other forms of policing.

If we are to deal with the problem of heroin dealing and addiction, the Government must consider other aspects of the law. I believe that part of the rise of crime in south London is accounted for by heroin addiction. Somebody who attends a court might find that 10 people are charged with offences ranging from burglary to shoplifting and

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taking and driving away a motor vehicle. It is quite likely that none of them will be being charged with possessing heroin or dealing in it, but, digging a little deeper, it might well be found that the substantial cause of almost every crime was addiction to heroin.

A robbery might appear in the statistics as a robbery when it was the consequence of heroin addiction. That means that many people are now beginning to commit crime almost as automatons and they will commit crimes as long as they remain addicted. We must therefore consider much more deeply the treatment of offenders when the prime cause of an offence is addiction.

I have talked exclusively about heroin in this context, but cocaine is an increasing influence. We cannot deal with the problem simply by recourse to the criminal law, to imprisonment and its alternatives. I go as far as saying that people who are hopelessly addicted to heroin should be treated as mentally ill rather than criminal. The result of such treatment would be that their immediate suffering and the constraints on their liberty were greater. The Government must take a much deeper and longer look at the correlation between the criminal law and the law for the mentally ill if they are to deal with the heroin problem.

One of the consequences of escalating rates of crime in south London is a rise in insurance premiums. Insurance companies log burglary claims according to postal districts so that, if crime is especially high in, for example, SW2, SW4 or SW9, the premium becomes prohibitive. The result is that the mixture in a community will get poorer as people with possessions will leave the area if they cannot get insurance cover or find it prohibitively expensive. Poverty and deprivation in some inner-city areas will therefore be intensified. I should like local authorities to run some form of insurance scheme on council estates. After all, people who are "allocated" to an estate deserve the protection and security of insurance.

The number of black applicants to the Metropolitan police dropped from 444 in 1983 to 400 in 1984. We must recognise that there is something seriously wrong. The ethnic minorities are badly represented in the Metropolitan police. I know that this is not scientific evidence, but I should like to give an example of how the perception of black policemen can differ in other parts of the world.

The film "Beverly Hills Cop" has been so successful that it has probably grossed more money than "Gone with the Wind". People have gone back time and again to see Eddie Murphy playing a New York cop on holiday in California. There are enormous queues outside cinemas —I have tried twice to get in. Many of the people who have gone to see the film are black. They love the film and regard the cop as a hero. He is investigating cocaine dealing and is obviously the object of adulation and great humour. We should compare the perception of that black cop with that of his counterpart in the Metropolitan police. I was struck forcibly by the difference of perception when I saw a black policeman guarding the South African embassy recently. It is almost as though somebody was being humiliated.

It would be much better if we saw a few more black policemen in positions of authority. I should like to see more black policemen on the cars—I have never seen a black policeman driving a police car. How many black detectives, how many Eddie Murphys, are there in the Metropolitan police? That kind of image of the Metropolitan police force among the black community shows that something is wrong.

I am not trying to apportion blame, but the under-representation of the black community in the police force shows that something is seriously wrong. A more imaginative approach should be adopted. The number of black applicants to join the Metropolitan police is 400, but only 30 of the 400 have been accepted. Only a small number of the black people who applied to join the Metropolitan police were even interviewed, which suggests that the employment policy of the Metropolitan police is not sufficiently imaginative.

One of the ways of improving relations between the police and the community and catching more criminals is to have all sections of the community represented in the Metropolitan police. Then there would be more understanding of the mores of the local community and the different cultural groups. I am not suggesting that blacks should be set to catch blacks, or whites to catch whites, but there is something wrong with the present recruitment policy and it must be improved.

I ask the Government not to remain complacent and unctuous about the achievements of the Metropolitan police. No matter how great a gloss the Government put upon the report, the truth is that life in London is becoming less and less safe and people's property less and less secure.

This is having an effect on the inner city areas in particular. For the Government to respond by cash-limiting the Metropolitan police and dressing up the figures in the report as some kind of achievement is nonsense. They need to think again about their responsibility to the whole community.

12.30 pm

Mr. Richard Tracey (Surbiton): This important debate has turned out to be a personal disappointment for me. I have great respect for the intellectual powers of the right hon. Member for Manchester, Gorton (Mr. Kaufman), and I am sure that many hon. Members share my view. However, for him to come to the House and tell us that he has not had time to be sufficiently briefed on a highly controversial video produced by the GLC and that he has been chasing around in Brecon and Radnor is extraordinary and unacceptable.

It is also disappointing that so few hon. Members from London constituencies are to be seen on both the Government and the Opposition Benches. Both this week and last week has seen a notable absence of Opposition Members. We have been facing Opposition motions, so perhaps the absence today of Conservative Members is due to the fact they have been putting in overtime this week and today are catching up with their paper work.

I am also disappointed that the chairman of the GLC, the council which we are told speaks for London, the hon. Member for Newham, North-West (Mr. Banks), is not here today.

Mr. Corbyn: He is working.

Mr. Tracey: It is disappointing that he is not here to give us the benefit of his views and his considered wisdom.

Mr. Corbyn: Where is the hon. Member for Hayes and Harlington (Mr. Dicks)? Before the hon. Gentleman leaves the subject of absent friends, can he tell us where the spokesman for the Police Federation is today?

Mr. Tracey: I am happy to respond to that question. My hon. Friend the Member for Bury St. Edmunds (Sir E. Griffiths) is not here, but I represent the constituency in which the head office of the Police Federation is situated. I maintain a close relationship with the federation, and hope that I shall be able to reflect to some extent its view on the topics under discussion. Ten days ago I was privileged to be on a phone-in programme of the London Broadcasting Company. I was amazed at the extraordinary attitude that some people adopt towards the police. It is destructive rather than constructive, on a matter that must be of concern to all members of society. It is an antagonistic rather than a co-operative attitude towards the police. I am sure that that is spurred on by the propaganda in the GLC's video, and that it is very harmful to society in the capital.

I am heartened by the fact that last year a national opinion poll——

Mr. Corbyn: Will the hon. Gentleman give way?

Mr. Tracey: I have already given way to the hon. Gentleman. I am sure that he will take the opportunity later to address the House at great length, as he always does.

A national opinion poll last year found that 75 per cent. of the population of the metropolis were quite happy with the way in which policing was going on. Policing would be helped even more if a more helpful community attitude were taken by Labour Members, their colleagues across the river in County Hall and several London boroughs—all Labour-controlled—which have not yet seen fit to adopt a proper police consultative procedure.

I welcome the Commissioner's report. Sir Kenneth Newman is one of the leading policemen and leading authorities on policing in the world. I am sure that that view is shared by his colleagues in police forces throughout the world. They certainly look to his example. His report is sound and justifies many more hon. Members being present to discuss it.

The report's analysis of modern crime was not quite reflected in the remarks of the hon. Member for Norwood (Mr. Fraser). Much of modern crime in the metropolis is random and opportunist—for example, auto crime and walk-in crime. Of course it is not satisfactory to have a clear-up rate of only 17 per cent., but that is a misleading figure. As my right hon. and learned Friend the Home Secretary and my hon. Friend the Member for Westminster, North (Mr. Wheeler) pointed out, the Metropolitan police have a clear-up record of 77 per cent. for homicide, 73 per cent. for crimes involving kidnapping and 55 per cent. for crimes of blackmail and wounding. To bandy about the figure of 17 per cent. as though it represented every aspect of crime in the metropolis is misleading and a deliberate smear on the police.

Mr. Dobson: Does the hon. Gentleman really believe that a non-clear-up rate of about 25 per cent. for murder is satisfactory? Does he think that it is reasonable that a quarter of the murders committed in London go unsolved, when the rate is nearly always 100 per cent. in nearly every other part of the country?

Mr. Tracey: Of course I do not believe that that is satisfactory. Indeed, at the beginning of my remarks on this section I said that 17 per cent. was not satisfactory. It is right for hon. Members to look at the more successful side of the operations of the Metropolitan police and not to harp on constantly about the less successful figures. That carping by Labour Members dismays Conservative Members.

As my right hon. and learned Friend the Home Secretary pointed out, the Government have considerably increased resources for the Metropolitan police. The budget of £763 million represents a 5 per cent. increase this year. As I understand it, the Government intend to continue putting resources into the Metropolitan police force. Much has been made of one reference in the Commissioner's report to cash limits, about which he is apparently unhappy. I draw the attention of Opposition Members to an article by the Commissioner in the Metropolitan police newspaper *Job*, which is headlined "Living within our means". He starts by saying:

> "The Met now has a fixed income, called a cash limit. Like any family on fixed income, we have to live within our means."

He concludes the article by saying:

> "I am confident that the Met will respond to the challenge of living within our means. This is no more than you and I have to do in our private lives. As an organisation we can do it too."

That shows the Commissioner's confidence in himself and his men that they can meet the challenge which the Government have rightly set the force, in the same way as the Government have set a challenge to local authorities, health authorities and other national bodies.

We must take careful note of the fact that since 1979, when the Conservative Government came to office, 4,500 more policemen have been recruited, which, as my right hon. and learned Friend pointed out, is as many as there are in the Merseyside police force. Greater emphasis has been placed on efficiency monitoring in all areas of the work. More of the tasks that can be conducted by civilians are being conducted by them. The civilian strength of the Metropolitan police has increased by 1,250.

There is greater scope for such measures. We could consider putting out to tender ancillary services and operations not directly concerned with policing. Obviously, vehicles should be maintained in that way, and services within the Scotland Yard building and other police premises could be dealt with similarly. I know that my right hon. and learned Friend has said that that is being studied, and I wish him well in that. There is no doubt that where that has happened in health authorities and in various local authorities in London, including Wandsworth, which is now a historic borough in terms of local government, everyone except a few head-in-the-sand Socialists knows that the ratepayers and the borough enjoy greater efficiency.

Evidence of that in the Metropolitan police would be of great assistance in meeting some of the demands made by my hon. Friend the Member for Carshalton and Wallington (Mr. Forman). He seemed to suggest that we should constantly plough more money into employing more and more policemen, but every extra policeman costs about £25,000 or £26,000. Clearly, the Commissioner and those who run the Metropolitan police must strive for the greatest possible efficiency, and that is what is happening now.

In my local borough, the Royal borough of Kingston upon Thames, the police are having great success. Of crimes reported to the police, the burglary rate has been reduced by 20·4 per cent., and serious assaults, robberies,

[Mr. Tracey]

fraud and indecency have been reduced by 11·7 per cent. during the past year. On-beat crimes reported to the police have fallen by 2·8 per cent. Only in motor vehicle crime, which so greatly inflates the statistics for the Metropolitan police record, has there been an increase of 4·7 per cent.

We are tackling these matters in the Royal borough of Kingston upon Thames. We have a consultative committee known as the "Police and Community Forum" and I pay tribute to the Labour chairman of that extremely hard-working committee, which brings in various strands from all parts of the community — the schools, the churches, the youth clubs, and so on—and gives useful thought to the best way of policing the borough.

Stemming from the deliberations of that committee we now have more than 50 neighbourhood watch schemes out of 1,200 or so in the metropolis as a whole. These schemes have attracted great support from people in the borough, and the reduction of 20·4 per cent. in the number of burglaries reported shows the effectiveness of the schemes. In my mind, and in the minds of people living in the borough, there is no doubt about that and we are pressing on to form even more neighbourhood watch schemes to achieve greater success and to ensure the co-operation between the public and the police that is vital to the policing of the borough, rather than leaving everything to the uniformed police.

The attitude of people in my borough and in so many Greater London boroughs, with the exception of eight Labour boroughs, which seem to refuse to co-operate with the police in that way, contrasts with the attitude of the GLC, which happily will not be with us for many more months. That council chooses to spend £1 million per year on a so-called police committee and on setting up police support groups and other bodies which I fear are no more than anti-police propaganda units.

The GLC also chooses to produce newsheets entitled "Policing London" written in a fashion aimed to detract from the good work of the Metropolitan police, and to spend £35,000 on producing a "Policing London" video, which has already been mentioned in the debate. I was most disappointed that the right hon. Member for Gorton could not find it in himself to repudiate the suggestion in that video that communities must rebel. [HON. MEMBERS: "Has the hon. Gentleman seen it?"] Certainly, I have seen it. I believe that there was an open invitation to all hon. Members to see it some months ago, when we were sent a folder and a poster telling us of

"A 30-minute dramatised introduction to the GLC's policy on the Metropolitan Police".

We have heard today that children in inner London schools are being invited to see this scurrilous stuff which invites communities to rebel. What greater charge can be laid against a council than that it has produced a video which ends with those words? We actually see on the screen a man mouthing the words "Communities must rebel." It is the Greater London council underwriting that advice to children in inner London schools. Why is the chairman of the Greater London council, the hon. Member for Newham, North-West, not here to repudiate that?

Mr. Soley: The hon. Gentleman and other Government supporters have sunk to an abysmal level today. Each of them knows that that quotation is featured in a poem—a man is reading a poem to a group. It no more implies what the GLC thinks than the phrase

"To be, or not to be"

in "Hamlet" suggests that Shakespeare was an existentialist. The hon. Gentleman is talking nonsense and he knows it.

Incidentally, as the Government propose to abolish the GLC, the police support unit and the others which the hon. Gentleman criticises, does he know that they are the very people who put in the application for money for the victim support scheme, to which the Home Secretary has not yet responded?

Mr. Tracey: I shall certainly respond to the hon. Gentleman's comment about the film. I do not care whether the phrase is featured in a poem or in a playlet in the film. For the producers of the film to put it there is the exercise of dramatic licence gone mad. I remind the hon. Gentleman that the film is to be shown to children in ILEA schools.

I go further. A motion was tabled for discussion at a meeting of the Greater London council calling upon the council to withdraw the video featuring the phrase "Communities must rebel." It was described as being

"tantamount to inciting violence and hatred."

Mr. Paul Boateng, whom we know only too well and who wishes to come to the House as the Member of Parliament for Brent, South following the next general election, tabled an amendment deleting the words criticising the video and saying that the council

"continues to ensure, through all means open to it, including the production of videos like 'Policing London', that information about the policing of London is available in the most graphic and accessible forms to all the people of London."

That is the attitude adopted by Mr. Boateng in respect of that insidious video. In his view, it should be shown to children in the schools of inner London, among them my own children. As a parent, I detest that attitude. But I am not surprised that Mr. Boateng holds the views that he does, because he has gone even further. In *The Standard* of 18 September 1984, Mr. Boateng was directly quoted on the subject of justices of the peace in London. He said:

"We must now make magistrates accountable to the Party. That doesn't mean they will refer every decision to the Party but the quality of their justice will be measured. They will have to accept the line on Party justice."

That is typical of the attitude of the Greater London council and of the chairman of its police committee. I invite the hon. Member for Hammersmith (Mr. Soley) to repudiate Mr. Boateng's attack on magistrates and the message that communities must rebel which is about to be put before our children in the GLC's video about the police.

The best way to encourage our children to work with and co-operate with the police in our communities, which is the finest way to bring about effective policing and law and order in the metropolis, is to adopt the course that one finds in some parts of London, where the police go to schools and talk to children and attend other public events. Home beat officers attend events and talk to children and adults about their work. Mounted policemen attend with their horses, as do police drivers and motor cyclists. They try to interest the public in their work. Those events will help to bring about co-opertation and to educate the public properly about the work of the police.

I endorse the comment of the hon. Member for Woolwich (Mr. Cartwright) that the police must be seen on housing estates and that borough councils must encourage the police to come on to estates and to communicate with the public to seek co-operation.

Mr. Corbyn: The hon. Gentleman believes that borough councils should have closer liaison with the police, but does he accept that the reorganisation of the Metropolitan police proposed by the Home Secretary will make liaison with any local authority much more difficult? The reorganisation will create huge new police areas, and many local authorities, including Conservative-controlled ones, have objected to it on those grounds.

Mr. Tracey: I do not agree that reorganisation will make liaison more difficult. It will still be possible to have the same format of consultative committees in the boroughs, and the community will still be able to consult the police. I am sure that the police will make it just as easy for councillors and residents' associations to communicate their views on the policing of London. I do not accept that the reorganisation, which seeks greater efficiency, will cut across lines of communication with the public.

I hope that my right hon. and learned Friend the Home Secretary will have picked up some useful points on the policing of London from this debate. We have a fine Commissioner in Sir Kenneth Newman, who has produced a useful report on policing in the metropolis in 1984. We must constantly seek greater efficiency and cost-effectiveness in the police force, and the important message that should go out from the House is that there should be the greatest possible co-operation between the public and the police in the metropolis.

12.57 pm

Mr. Jeremy Corbyn (Islington, North): The debate is a travesty of the way in which we should discuss the organisation, control and operation of the police force in London. No one can pretend that it is satisfactory, when an organisation spends £800 million a year, to debate it once a year in the House on a Friday morning, with few hon. Members present and with the Home Secretary present for only part of the time, although he is the police authority for London. There will be no vote at the end of the debate, and we can have no detailed discussion on the way in which the police force is organised in each area.

I hope that, when the Minister replies, he will concede that there is a glaring lack of democracy in the running of London's police force compared with the system elsewhere in the country. Ministers must accept that, if Londoners are to have any confidence in the running of the police force, they must have an elected police authority. If it is good enough for every other police force to be run democratically, why is it not good enough for London?

Although we are discussing the police force, some reference must be made to the growing influence that the Commissioner and deputy commissioners of police have over the public order legislation framed by the Home Office. They also have growing influence with the media on the way in which public order issues are discussed. The Home Office has produced an ever-increasing framework of control and repression in its public order legislation. These are important matters.

The Home Secretary and police officers call for the control of political activity and dissent. The licensing system for marches, the control of political organisations which wish to march in London and the cost of policing those marches is creating an atmosphere of political repression which will lead to the banning of some political organisations. The Home Secretary's job is to protect political freedoms, not to create an atmosphere in which political freedoms are denied or might even be taken away. He should address himself to his role in protecting civil liberties rather than appearing on television and radio and making utterances in the opposite direction.

How is it that the Metropolitan police force manages to spend £801 million a year and claims to be an ever-growing force, yet it is always short of staff and its clear-up rate is by far the lowest in the country? It is incredible that the police are seriously considering tagging reported crimes so that they can decide whether they are worth investigating because their clear-up rate is already so inefficient.

I suspect that the Government intend to use the crime figures in the same way as the unemployment figures and to change the basis of the statistics so that they look better than they are. If the police decide that it is not worth following up a housebreaking when the goods lost are worth less than £100, for example, the clear-up rate will look much better. I hope that the Minister of State can assure us that the Government have no intention of introducing a system which would allow certain crimes to be ignored because the police cannot be bothered to clear them up.

Government Members talk about confidence in the police force and attacks on the police, real or imaginary, by Opposition Members and the GLC or borough councils. The Minister should consider the feelings of people in the communities, particularly in inner-city areas such as the one that I represent. Peolle are worried about burglary, damage to property, theft, racist attacks, attacks on women and safety on council estates. When approached locally, the police are often helpful and are prepared to discuss such matters. However, higher up the hierarchy of the Metropolitan police one finds a growing obsession with the need for high technology, highly mobile and heavily motorised policing which does nothing to improve the safety on council estates, and nothing to reduce the incidence of housebreaking, theft or petty burglary. In fact, it does the opposite.

People complain that, when a local policeman is appointed to a particular estate, as soon as he gets to know the area and to understand and work with the community he is moved to another beat. That is unsatisfactory. What does the Minister of State intend to do about that?

The lack of democracy in the police force is underlined by the complaints procedure. It cannot be satisfactory for an organisation to investigate itself when a complaint is made against it. A complaint against local government is investigated by the Commissioner for Local Authority Administration in England. Complaints against the Civil Service or any other public body are not investigated internally. The police tend to investigate themselves, and there is much disquiet about that. Lord Scarman, reporting in November 1981 following the Brixton riots, said:

> "There is a widespread and dangerous lack of public confidence in the existing system for handling complaints against the Police. By and large, people do not trust the Police to investigate the Police."

He was right, and all the surveys carried out by independent research organisations support that view.

Fears have been expressed about the reorganisation of the Metropolitan police. Many objections and complaints have been made about the proposal to reorganise the police into larger areas. In my area, the inner city borough of Islington, the unemployment rate is registered at about 20 per cent., but in real terms it is 30 per cent. or higher. For

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youth it is higher than that, and for black youth it is higher still. My constituents suffer enormous social deprivation. Our local police force is to be linked with Waltham forest, Haringey and Enfield, so creating a new police area extending from the City of London to Cheshunt in Hertfordshire. These are entirely different areas with different problems and different social attitudes.

What possible reason could there be for introducing that form of reorganisation? When the plans were placed on our desks, we learned that the proposal had come about as the result of management experts discussing with the police the most efficient way, in the view of the management experts, of running the police. The greatest input appeared to have been made by the McDonald hamburger chain. There was no consultation with local authorities, community organisations, tenants' associations and others concerned with the issues involved.

The Home Secretary may say that if we went in for super police areas the local relationship would remain unchanged. I do not believe that. We are likely to have a series of super police headquarters around London. Indeed, one is being planned for Islington. That will lead to the closure of other police stations, which in turn will lead to a highly centralised police force, with one person in charge of the district and responsible directly to the Commissioner, and the local level of consultation will have gone.

Underlying the plan by the Home Office is, in my view, a fear of the growing demand for democratic control of the police. Under the present system there is, in large measure, conterminosity between the boundaries of police districts and the borough councils.

A constituent of mine living in, say, Hornsey road in a council flat can, if wishing to complain about the flat, visit the local council offices or see the locally elected representative on the council. If that person is concerned about something to do with the police, he or she can do little but come to me, and one day once a year, in June, I might get a chance to raise the issue in Parliament.

A parallel is becoming obvious with the denial of democratic rights as the police force is organised into a larger unit, which denies local authority consultation methods. Indeed, various consultation groups in London met the Minister of State about this issue and then presented him with a resolution. Police-community consultative organisations from Enfield, Hammersmith, Fulham, Harrow, Islington, Kensington, Chelsea, Lambeth, Merton and Wandsworth met on 18 March last and agreed a resolution saying:

"The group expressed its regret that the Consultative Committees were not given any prior notice of the proposed reorganisation . . . calls upon the Commissioner to amend his proposal to retain the Borough as the consultative unit, thereby also retaining the District as an operational unit under the control of a District Commander . . . calls upon the Commissioner to retain the Borough-based Community Liaison Officer."

It would be interesting to know how many objections to the plans for reorganisation and, implicitly, the changes in consultation arrangements the Home Secretary received.

It would be interesting also to know how many of those complaints went on to call for a more democratic system of control of the police force in future. The Home Office owes it to the House and the people of London to explain the real motives behind the process of reorganisation. It has not convinced anyone that the reorganised force will be any cheaper to operate. I am convinced that it is trying to deny the possibility in future of locally elected police authorities, or at least some form of consultation at borough level in the running of the police force.

Many elements lie behind the problems of crime. There are important social elements such as the difficulties of unemployment, the disaffection of individuals and the degrees of alienation that many young people feel towards society. There are problems arising from our physical environment. A system of crimewatch has been established in Islington on the initiative of the London borough of Islington's police authority. The system has the support of the police committee support unit. The object of the crimewatch system is to set up a series of crime prevention working parties in the districts where the crimewatch system operates. The neighbourhood offices — they are part of the council's decentralisation programme—have as one of their jobs the operation of a crime prevention working party, which involves local community associations and tenants' associations. The working party examines the causes of crime, the safety of people walking along the streets and in estates at night, racial attacks, especially those on minority ethnic communities, lighting in council estates and many other matters.

The council has shown a commendable sense of responsibility towards the community in setting up the crimewatch system and involving the local community in it. I hope that I shall hear from the Minister of State that the Home Office is aware of what Islington is trying to do and of the co-operation that it has received from local community organisations. I hope also that he will say that he is prepared to extend the idea to other parts of the country, instead of going along with the Metropolitan police's obsession with public relations, which leads them to remove their contact with elected representatives of the people while they attempt to relate to everyone by means of press releases and media handouts.

The Minister of State will do well if he can tell us exactly what the cost is to be of reorganisation, and especially the cost of the new buildings that will be erected around London.

The debate is an unsatisfactory way of dealing with the immense problems which many people face in London. They feel that the police are not responding adequately to their worries and concerns. They do not see the police force in London as a responsive unit. Instead, they consider it to be extremely expensive, inefficient, bureaucratic and undemocratic.

1.13 pm

Mr. Harry Greenway (Ealing, North): I was most interested in what the hon. Member for Islington, North (Mr. Corbyn) had to say about the possible relationship —he said direct relationship—between unemployment, bad housing and crime. There is not a shred of evidence to support his views. In my professional career in teaching, I talked to the unemployed and their children. I often found that they were proud people and suffering greatly through not having a job. I found also that the last thing in which they were interested was crime.

One of the great men of our age—I feel that hon. Members on both sides of the House will agree with me —is Bishop Trevor Huddleston, who is a lifelong friend of mine. He was inspired to become a priest in the Church

of England by Father Basil Jellicoe, whose spiritual campaign, and campaign as the vicar of Somers Town in the 1920s, was based on the removal of slum housing. He argued that it should all be swept away as it was leading to massive social deprivation and crime. Since then, and partly as a result of his great and inspired campaigning, that housing has been completely replaced by brand new housing, but the crime rate now is higher than it was then. Even Trevor Huddleston accepts that there is no correlation between the two. It is easy to feel that there might be, but I do not believe that there is.

I wish to pay tribute to the London mounted police, who have so often been vilified by anti-police elements, including the GLC and members of the Labour party, and others. The police horses of London are among the most gentle horses that one could meet. They have a difficult role to play in policing rough crowds at football matches and also in their long-established role of policing well-behaved crowds.

The wonderful thing is that non-riders can apply to become mounted police officers. Someone with no ability to ride can be taken to Imber Court, taught to ride and trained gradually to handle difficult situations—such as last year's miners' strike, crowds given to violence, those going to and from soccer matches, and massive demonstrations. They do that with enormous competence. We never hear of horses kicking, maiming or injuring members of the public, even when they are terribly provoked. That is a great tribute to their basic training and to the way in which their riders are taught to handle them. Their duties are well done.

Echo was a notable police horse a few years ago. It was present when the IRA blew up and killed 12 soldiers and 7 horses in Hyde park. It survived that and continued with its duties for a short time, but eventually had to be retired because it was suffering from shock. During that period of illness from shock, the horse, by instinct and its training, carried out its duties competently. All those involved in the mounted police branch, mounted or not, should be congratulated on what they do.

The public relations of the mounted branch are good. The horses are taken to public events. The public can meet them, pat them and enjoy being with them. That is evidence of the fact that they are among the most gentle creatures in the world.

Police dog-public relations are admirable. There is a nursery school in my constituency which is 25 years old this month. To my amazement and horror, the police took an alsatian police dog to be with the children one morning. I should remind the House that I experienced being attacked and bitten twice by an alsatian during the last general election, so that, while I am a great dog lover, I take great care when I see alsatians about. That police dog was so well handled by its handler that the children could sit on its back, pat it and play with it, and under the handler's complete control it did extremely well. I am a keen dog lover, and that election incident has not put me off dogs.

I echo what my hon. Friend the Member for Surbiton (Mr. Tracey) said about the Greater London council's anti-police film. I have raised the matter in the House twice this week. The film should be withdrawn. If the GLC is concerned about maintaining law and order in London, and if it wants reasonable relations between the police and the public, it should withdraw that film. I call upon it to do so. Vicious scenes in it are deliberately intended to show the police in a bad light. The police's basic job is to maintain freedom for all of us before the law. The people who attack the police most and in the most vicious terms are almost always the first to seek their protection if anything goes wrong, so they would do well to remember that they are ill-advised to undermine that thin blue line any further. If they succeed, everyone will suffer seriously, particularly the old and those ill-equipped to defend themselves.

I echo what many of my hon. Friends have said in the debate, that burglary is a substantial problem in the metropolis. There is no question but that even more attention needs to be given to ways of protecting people's homes. The neighbourhood watch scheme is admirable, excellent and going well. However, we cannot sit back and say that that excellent scheme is taking care of the situation. It is doing a lot, but there is still a large amount of burglary on every sort of housing estate and in every sort of area—not only in wealthy areas. Even poor people are being burgled.

Particularly this week, I have heard of people having belongings taken when they are moving into a new home. They might have moved a few belongings into the new house in advance of moving in properly. The burglars watch for that, and they take television sets, washing machines, driers and so on that are put in in advance. That is a new sort of burglary, which requires careful attention and thought.

People on holiday have great cause to worry about their homes. There seems to be no way of securing a home in a foolproof way against burglary, although the police give admirable advice. I recommend everybody to consult the police on how to put special locks on windows, doors and so on.

Local police consultative committees have been mentioned. They are unquestionably valuable forums for the meeting of police and representatives of the public on a regular basis. The police need to have a feel of what people in the community are saying and thinking. Members of the community have an equally urgent need to understand what the police are trying to do. I cannot understand why, in so many areas, the Socialists and the Labour party have boycotted those police consultative committees. They have done so in Ealing. That is to their detriment, and it is sad and disgraceful.

Partnership between the police and the public is essential. It can come only through police consultative committees and other such forums.

Mr. Soley: Does the hon. Gentleman agree that the police should have consulted local authorities and others on the new management structures?

Mr. Greenway: The police have been in constant consultation with Parliament, the Home Secretary and elected representatives of Londoners.

Mr. Soley: They have not.

Mr. Greenway: I think that they have done the right thing. I myself have had discussions. That puts what the hon. Gentleman said into perspective——

Mr. Soley *rose*——

Mr. Greenway: I should like to continue my speech. I think that the hon. Gentleman will have an opportunity to speak later. I can only speak from my own experience.

[Mr. Greenway]

The only way to cure the social and soccer violence which has so worried the country recently must be to improve religious and moral education in schools. The hon. Member for Hammersmith (Mr. Soley) seemed to do a double take at that statement, but I am serious. No society can be controlled by force. In the end, people must control themselves. That can come only if people accept a reasonable moral code, which, for me, is based on religious principles, but which may be more broadly based. Such acceptance must come from teaching in schools. However, there is no religious or moral education in our comprehensive schools after the third year. A recent report said that in two thirds of all primary schools those teaching religious education are confused and do not know what they are doing. If they do not know what they are doing, how much chance have the children of grasping the difference between right and wrong and the fact that society must be based on the principle of love thy neighbour rather than on the ability to punch harder than the next man? I hope that my hon. Friend the Minister will use all of his influence to press those who are responsible to improve religious education, including proper acts of worship at morning assemblies.

Police visits are an essential part of the police relationship with the community and of helping children to understand what the police do and their role in society. There is nothing like a friendly talk from a policeman to encourage children not to talk to strangers and to learn how to cross the road properly and safely. Such matters are fundamental to the safety of children. It is disgraceful that the police are excluded from some schools in the metropolis. That is wicked, damaging and unfair to children and their parents. Policemen should not be strangers to children. Children should not be alienated from them by vicious films such as the GLC video, which we have already discussed today.

Schools have a responsibility to keep their curriculums interesting and dynamic and to keep children interested in attending school. High truancy rates in some parts of London present serious problems for the police. In some areas, 30 to 40 per cent. of children are out of school on any one day. If they are out of school, they are running about the streets and getting up to terrible mischief. A few months ago I met a 12-year-old boy who was appearing before the courts for taking and driving away a motor vehicle. He admitted to me that he had taken a Jaguar in the Lewisham area and driven it right across London to visit a friend and then back again. The mind boggles. He also told me that he had been truanting for a long time. He was a nice little boy and obviously had a lot of initiative, but he must be kept in school working and learning, preparing himself for life. That is the true outlet for such initiative, character and determination. He should not be pinching Jaguars, or any other cars, and driving them all over the place.

A terrible term—pigs—is often applied to the police. A substantial number of people, including members of the GLC and the Labour party, refer to the police as pigs. It would be bad enough to do so in a clandestine way, but to refer to the police in such a derogatory fashion is not only grossly insulting to a dedicated and fine body of men and women, but also damages their standing with the public. We know that that is the intention of those who so describe the police, but the term should be repudiated every time they say it or write it.

I welcome the fact that my right hon. and learned Friend the Home Secretary is trying to bring some sense into the policing of demonstrations. All those who want to hold demonstrations in London should not be allowed to do so freely every week, at enormous expense to the ratepayers and taxpayers. Demonstrations become a way of life. When I lived in Oxford House, Bethnal Green, a few years ago, a girl who was living in the settlement at the same time went on a different demonstration every week. For most of the time she did not know what she was going to demonstrate about. I asked her, "What is the demonstration tomorrow, Deborah?" and she replied, "I don't know what it is, but we are meeting at such and such a place."

If large numbers of people are demonstrating for sport, we do not want to deny them their sport, but one has to take some account of the huge cost of demonstrations to the people of London. Some kind of control must be exercised over the number of demonstrations that can be mounted by a particular group of people.

1.31 pm

Mr. Ernie Roberts (Hackney, North and Stoke Newington): The police force is supposed to be democratic and is expected to look after the interests of all the people in Britain, irrespective of race, colour or creed, but that is not so in the area that I represent. Black people, and others, are continually in conflict with the police because of the way that they are treated. I have examples here of complaints by my constituents that have been discussed with various Home Secretaries and others over many years.

Some of the cases have dragged on for years. I have met Home Secretaries, Ministers, more than one Commissioner and assistant commissioner, as well as commanders and chief superintendents to discuss the bad policing and the conflict between the police and the community in my constituency. The bad relationships continue.

I have in my hand a copy of a large advertisement that appears today in the local press. Its heading is "The independent committee of inquiry into policing in Hackney." It says that written submissions of evidence are invited. The chairman of the inquiry is the Reverend David Moore. It refers to

> "*(A)* the death of Colin Roach and the surrounding circumstances. *(B)* Stoke Newington police station. *(C)* The relationship between the police and the black community."

Those are some of the issues that are to be investigated by the committee. The committee has to do the job because the Home Secretary has refused to do it. Replying to one request, the Home Office stated:

> "The Home Secretary has . . . carefully considered the case for a wider form of enquiry into policing in Stoke Newington generally. He appreciates that there is genuine concern about past events and real anxiety about the future of community/police relationships, but he is not convinced that a wide-ranging public enquiry would be in the best interests of community/police relations in the borough."

The public and their representatives are getting together to look into past and present problems that have been brought to their attention. The Roach case is only the tip of the iceberg. Many demonstrations took place and hundreds of people were arrested during that conflict. The Home

Secretary must appreciate that there is still a demand for a public inquiry to be held into that case, even though several years have passed. The public are not satisfied with what has happened.

The Knight case has dragged on for years. Similarly, there is concern about the infamous White case in 1976 which continued for years and resulted in £51,000 being awarded against the police.

The way in which police in London deal with missing persons is also of considerable concern. The police found Colin Barnard's mother six months after he had been cremated. They later apologised. It is obvious that a proper procedure is needed to deal with missing persons. A campaign is being conducted to discover the whereabouts of the many thousands of missing persons.

I was invited to look into a procedure set up at Scotland Yard to deal with this problem. It must have been impossible to find the names of missing persons in the former system involving numerous filing cabinets and thousands of cards. The system has now been computerised, which I hope will mean that there is a better chance of obtaining information. These matters should not be left until the public complain about the activities of the police in searching for missing persons.

The public are concerned about cases in which black women are put into prison for a week, and then set free. Often, the police pick up people suffering from mental diseases or epilepsy and keep them in prison until their relatives discover where they are and get them out.

I am also worried about stop and search. Young black people out at night are told to stand against a wall, spread their legs and put up their hands. They are then searched. One young fellow told me that this had happened to him three times.

The Hackney Council for Racial Equality has a dossier of 40 cases, some of which have been passed on to me. The council has demanded an independent inquiry into policing in Hackney.

A member of the police force in my area has given me a document of several pages involving complaints against high-ranking police officers. He brought the case to me because, although he had the right, he had been stopped from giving it to the Commissioner. When I put the report in the Commissioner's hands, I said that it was from the sort of young policeman whom the Commissioner wanted in the police force and who should be protected as he was prepared to make allegations about the bad behaviour of his superiors. That was about six months ago, and I have not yet received a reply. I should like to know what has happened in that case, especially to the young policeman. I think that he was a detective who was moved around.

I, like the hon. Member for Ealing, North (Mr. Greenway), am worried about the relationship between schools and the police. In Hackney the lack of faith in and dissatisfaction at the behaviour of the police is so great that the teachers exclude the police from the schools. There have also been many complaints from parents. I have had meetings with police commanders, deputy assistant commissioners and others about the Finsbury park, Manor park and Brownswood road areas, where young blacks are constantly stopped and searched, and arrested on charges of obstruction. Unemployed young people cannot keep walking, they must stand still sometimes. They should not be moved on for standing on the pavement and talking to their friends, or picked up on a charge of obstruction, if they refuse to move on. The use of the SPG, about which there were complaints and which has been replaced by the special control unit, still gives rise to concern and complaints.

Our citizens want to see policemen on the estates, the streets and the beat, but not in fast-moving vehicles screaming through the streets. In many cases the police over-react. Such over reactions are recorded in many photographs in the document "Policing London" under the heading "Routine Over-reaction" which states:

"The use of excessive force and routine over-reaction can be understood as a response to boredom."

That excuse is not enough.

We want less policing of the "Starsky and Hutch" variety. I think that the police watch too much televisiion and try to repeat on the streets of London the antics of those whom they watch. It is time that they were taken out of their cars and put on the streets where people want to see them, can talk and complain to them and where, if a mugging takes place, there should be easy access to a policeman.

Hackney borough council has set up a police committee. Over the years there have been constant attempts to get the Home Office to agree to the police being represented on it, or even attending it. Representatives of the community groups and of all the political parties of the council are represented on it. They do not kid themselves that the Committee has any legal authority. It is of a consultative nature, as the Home Secretary knows. However, it could be even more useful in getting co-operation between the community and the police.

It is time that the Home Secretary and the Commissioner looked at these matters more carefully. A consultative committee has been set up in my area, chaired by the chairman of the local chamber of commerce. The two local Members of Parliament are invited to attend. It would be much more useful, however, if the police also sent a representative to the Hackney borough council police committee. There could then be an exchange of views, it would be clear that the council was being treated in a responsible way by the police and the committee would be assisted in its consideration of the problems of policing in the area.

Finally, I wish to make certain demands to the Home Secretary about policing in London. As my colleagues have pointed out, the police need to be democratised. Sometimes individuals need to be protected from police abuse. We need a rearrangement of police functions and internal organisation and new priorities in the deployment and aims of policing in London.

Much police time in London is spent on social work. In my view, the police are not properly trained for that and do not constitute a suitable agency for such work, which is best carried out by the specially trained personnel employed by the social services.

It must be made clear that crimes against the community are more important than crimes against the holders of capital. We need more community policing, more police on the beat and less of the "Starsky and Hutch" type overreaction that so often occurs.

1.47 pm

Mr. Harry Cohen (Leyton): In the first debate on policing in London after the 1983 general election, the Under-Secretary of State spent virtually the whole of his speech boasting that Red Ken's efforts to control the police

[Mr. Harry Cohen]

had been beaten off for ever. I think that that is a fair summary. The Minister tried to personalise a serious issue facing London. The debate was not about Ken Livingstone. It was, and it still is, about accountability. It is an argument about democracy. Moreover, the Minister was wrong, because the move for accountability has not been beaten off. It is the return of the repressed. The movement has come back even stronger and it is a growing constituency, as the Tories will discover to their cost.

Accountability is still very much a live issue because of the rising crime rate. There have been record increases in crime every year, and I suspect that the figures for the past year will be even higher because London was left to the criminals while the police were taken elsewhere to do the Government's dirty work against the miners. The clear-up rate is also pathetically low—just 8 per cent. for burglaries in my area. The police have been shown to be increasingly ineffective in stopping the rising crime rate. That is why accountability becomes ever more necessary and higher on the political agenda.

It is unfortunate, but true, that the public's alienation from the police runs deep in all sectors of the community, and it is not smoothed over by Tories saying, "The police are doing a wonderful job. Let's leave it to them." As one of my hon. Friends said in an aside, "You might as well give the public a police horse to stroke and all will be well." That approach will not solve the problems.

Police-community relations are at a low ebb, and there are many reasons for it. The police are perceived as a force and not as a service to the community. They are increasingly seen as overtly political. Against the miners, they were put in the forefront of that political role by the Government, and in London we saw them even harassing people who wanted to make collections to support miners' families on the poverty line. They are used politically against blacks and the ethnic minorities. They are used against the Left. My hon. Friend the Member for Hackney, North and Stoke Newington (Mr. Roberts) did not quote the headline which I have in my possession. Newman said in his last report:

"Our enemies are on the Left."

The police perceive the Left as the enemy.

What is more, the police are often seen by the public as being above the law. There is not an independent complaints procedure. The police investigate themselves. The figure for successful complaints—assuming that people bother to go that far with the procedure, because often many give up without going through it—is a little over 1 per cent. That does not inspire confidence.

People see that they do not have any real say. I remind the House that £400 million is spent on the police by Londoners, but they have no control or effective say. It is because of that lack of democracy that the police are so slow to react to community needs.

The alienation is in all parts of the community, but it is very high amongst the ethnic minorities. Polls taken from those living in ethnic communities show an immense lack of confidence in the police.

In my own Waltham Forest area, there have been calls for vigilantes amongst those groups to defend their communities. I oppose the idea, because those ethnic minorities pay their taxes and have the right to proper police protection. They should not have to resort to vigilantes. But the calls have been fueled by racial attacks, including some terrible murders in east London, and the police have been slow to realise the racist nature of many assaults and harassments. During this Session of Parliament, I intend to introduce my Racial Harassment Bill under the ten minutes rule with a view to making such conduct an offence and tightening the law. But the police must step up their campaign against racists if they are to get the confidence of the ethnic minorities.

The police need the support of the community. The recently published Leyton police divisional report recognises that. It says:

"There is abundant evidence that police action is insufficient to reduce crime. The aim of gaining the active co-operation of others is imperative."

Efforts are being made. Some are real. Others, I am sorry to say, are token efforts. But the reality is that, because of Home Office negligence and the overall lack of accountability of the police, the opposite is true. There is less public confidence in the police.

Another cause of alienation is the obsession of the police with moving to high tech, which is often not properly thought out and certainly is not cost-effective, instead of getting policemen on the beat, with the confidence and support of the public.

I shall give three examples of high-tech policing and its disturbing implications. The first relates to the tracking bugs which the police can place on cars. In the recent case of Mr. Colin King, it was shown that the police had placed such a device on the car of a man who had no criminal record and who was subsequently acquitted in court. The police officers who used it now await trial for setting up a bank robbery. The case has serious implications, because it is another step in the increasing intrusion into people's private lives and disregard for their civil liberties. The police should not be allowed to track cars simply because they do not like someone or, as in Mr. King's case, his friends. That amounts to harassment and intimidation.

The guidelines on the use of such devices are lax. At least when the police want a search warrant, they must obtain authorisation from a high-ranking officer or, independently, from a justice of the peace. There is no such safeguard here. The Secretary of State must approve any telephone tapping, but he need not approve car bugging. There is no compensation for the victims of unjustified bugging.

It might be said that innocent people have nothing to fear from this high-tech intrusion into their lives. However, people's private lives are not shop windows. If the police themselves were bugged, we would catch many more crooked policemen, but, rightly, there would be outrage from the Police Federation. Civil liberties apply to everyone, not just to the police. The fact that the Home Secretary has no control over the use of car bugs means that it has become much more widespread.

The second example is the automatic fingerpinting machine purchased by the Metropolitan police for £1,654,000. No doubt its running costs are also substantial. However, identifications have increased by only one a day. That is not real value for money, and I do not believe that the Minister can justify it. I know that he sent me a letter on the subject, but I wish to quote the draft Home Office circular of September 1984:

"The AFR system at New Scotland Yard has the capacity to make one million comparisons a day. This is a very substanial figure but is small in relation to the size of the database which the system could hold. For example, only four marks a day could

be searched against an entire collection of 250,000 sets of prints (ie 2·5 million digits). Moreover, if the marks could not be identified as belonging to a particular digit the search could take up to 10 times as long. Preliminary trials with an alternative make of AFR system have indicated that it is faster but less accurate." The Home Office draft circular shows that the technology is too slow. The police should have anticipated that and should not have spent £2 million on a system only to find out that it is too slow. The Minister has a duty to get value for money from high tech.

The third example is the police national computer. A recent parliamentary question from me elicited the amount of information that is stored from the computer. There are many implications relating to the number of car records on it. The police can obtain someone's name and address immediately by asking the computer. They never used to be able to obtain the address.

The criminal names index with its 5 million names has created a stir. One person in 10 is categorised as a criminal. When the figures were published, one criminologist said that one man in three in his lifetime is likely to be categorised as a criminal. People are being stigmatised. That is serious, particularly at a time of high unemployment, because people might find it more difficult to get a job if their names appear on the index. If the trend continues, Britain is likely to have more criminals than workers. There is a long way to go before we reach that position, but that is the trend.

The increasing number of secret records on individuals has all the hallmarks of police states throughout the world, yet the Home Office is letting it happen. No guidelines have been issued about the names that go on the criminal names index or about their removal. I received a letter recently from a man who was stopped for a car check and the police knew that he had stolen a bottle of milk 22 years ago when he was only 16. That letter is on its way to the Home Office.

How soon does information go on the computer? Does it go on before a person is acquitted by the courts? Access is another problem. Terminals are being set up in police stations throughout the country. What rules govern who can have access to the information? Information could find its way to finance companies or blackmailers. Individuals do not have access to their own records or the opportunity to correct errors. The Home Office has ignored all the serious implications.

The Guardian of 13 June summarised three key issues effectively:

"First, the decision to computerise must be taken properly and openly, after effective consultation and with stringent evaluation of the effectiveness of the investment . . . Second, computerisation should be confined to proper police functions" — not rumours and gossip or "so-called criminal intelligence."

"Finally . . . there must be effective safeguards for the individual."

The Guardian was right in that respect.

High tech has serious implications which have been ignored by the Home Office. Community policing is being ignored in the high-tech drive and the crime rate is rising. High-tech policing is bad value for money. A better job could be done through community policing.

Under the victim support scheme, 587 local referrals have been made since November 1984. The Department of the Environment turned down the urban aid application for that scheme, but the much-despised GLC came to its rescue. The Department of the Environment and the Home Office squabbled about who should foot the bill.

The Government have a responsibility for the social conditions which increase crime in London and throughout the country. They are responsible for unemployment and the cut in services. People who are jobless, who receive no help and are bitter, might well reject the order in society. That might have bitter consequences for Britain's youth. The immigration laws give encouragement to racism, and the Government have a responsibility in that connection, too.

The Tories have fostered a society based on personal acquisitiveness and greed instead of co-operation. That is the main reason why they are the guilty men in terms of policing in London. In the main, it is not a question of the police doing a good or bad job—although the lack of accountability leads to the latter — but of the Government having failed to stem the rising tide of crime. Instead, they are fostering the conditions for crime.

2.5 pm

Mr. Clive Soley (Hammersmith): Throughout the Commissioner's report are references to the fact that the police alone cannot deal with the crime rate. That point has been stressed by many of my hon. Friends and, to a limited extent, by Conservative Members. Perhaps the biggest criticism one can make of the debate derives from the complacency of the remarks of the Home Secretary and of some of his hon. Friends.

Twenty years ago there was one police officer for every 602 citizens in the United Kingdom. Today there is one for every 393. Under the Tories, however, the crime rate has been rocketing and there has been continual disorder. The message is clear. The Government cannot introduce socially and economically divisive policies and expect the police to deal with the consequences. That has happened and that is why this, more than any other, Government have exploited the law and order issue. They did it in 1979 and again in 1983, although it back-fired on them. If they want proof of that, they need only read the *Police Review*, which criticised them during the miners' strike for using the police to enforce their industrial relations policy. A headline to that effect appeared in that publication.

The booklet "Principles of Policing and Guidance for Professional Behaviour", issued by the Metropolitan police, contains some interesting matter which I would quote if there were time. The Commissioner deals on page 2 with the subject of the police not chasing up minor offences. That leads one to think of some of those who have been criminalised and brought before the courts as a result of demonstrations or industrial disputes, of which there are many.

One recognises the dangers that exist in Britain of using the police as the Government's private army. That is what the Tories have been trying to do. The police resent that as much as all firm and committed democrats resent it.

The victim support scheme is dealt with at page 61 of the report. The GLC has been criticised by Conservative Members. I repeat, for the benefit of the hon. Members for Surbiton (Mr. Tracey) and for Ealing, North (Mr. Greenway)—I appreciate why the latter is no longer in the Chamber—that the quotation to which they referred from the film came from a man reading from some poetry as part of a poetry reading. Are we to assume that every organisation which films or provides detail of every line of poetry or piece of literature is in some way endorsing

[Mr. Clive Soley]

the remarks that are made? Does the Home Secretary believe that one line from a poem represents even the poet's view of the whole?

I have seen the film and I fear that I must tell the hon. Member for Ealing, North that he tried to use it as a propaganda weapon and in a way, frankly, that would have made even Dr. Goebbels feel ashamed. I appreciate that a by-election campaign is in progress and that the Government are worred about that, but that was sinking to a low level.

Mr. Tracey *rose——*

Mr. Soley: I would normally give way, but time does not permit me to do so.

The GLC has been funding the London victim support scheme since 1981 and at present there is an application in for £17,672. That application, which is backed by the GLC police committee and the police support unit, is with the Secretary of State. I believe that the money is unlikely to be forthcoming. I hope that when he replies to the debate the Minister will announce whether the Government intend to give the victim support scheme that money.

How will his Department fund the victim support scheme after the abolition of the GLC? I challenge him to answer that question today. The Commissioner says in his report that those bodies give full backing to the scheme but that the Government will not finance it. Let us have an answer to that question in the next 15 or 20 minutes.

I urge the Home Secretary to consider again the report of the all-party penal affairs group on prevention of crime among young people. The rate of recorded crime for those aged between 14 and 16 years is higher than that for any other age group. The second highest rate is for those aged between 17 and 20 years. We can do much to prevent crime among those who fall within those age groups, but what has happened? The Government have cut every decent prevention scheme worth its name.

The Home Secretary and other Conservative Members have talked about neighbourhood watch schemes. Neighbourhood watch is the fig leaf with which they try to cover their nakedness on this issue. I am not opposed to neighbourhood watch, but the assumptions that are being made about its success rate are not proven. If they were, I should be cheering along with everyone else. Some evidence suggests that neighbourhood watch works well in certain suburban areas, but there is a problem because it consumes manpower that could be used elsewhere. At the end of the day it may prove its usefulness throughout the country but I suspect that it will prove to be especially useful in certain areas while not providing the complete answer in others.

It has been shown by the National Association for the Care and Resettlement of Offenders that the safe neighbourhood unit does much better than neighbourhood watch. The unit is funded by the GLC; is that not amazing? The Government appear not to be interested in the unit. It is engaged in crime prevention and the Government appear to take the view that it can go or that it can be funded by others. Who will replace the unit when the Government abolish the GLC?

It is the vandalised and run-down areas that face the major problem. Burglary is a nationwide problem. The chance of being burgled is about 1:40 throughout England and Wales. It is 1:12 in inner city areas. Neighbourhood watch will not be able to resolve that problem. However, many suggestions are made in the all-party document to which I have referred and in a document which has been prepared by NACRO, which has submitted various schemes. My right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) has referred to some of them, which involve the provision of more caretakers, better locks and doors, improved housing standards, the provision of nursery facilities, getting families with young children out of high rise flats and many other matters. Much of this provision and many of these improvements have been cut by the Government over the past few years, or will be cut.

Will the Minister give the House a guarantee that any local authority that introduces a crime prevention scheme of a type of which he approves will not be rate-capped or targeted on the basis of the money that is made available for the scheme? In other words, will he ensure that the money for the scheme is available over and above the financial targets that have been set for local authorities? Let us have an answer to that question as well.

One small action of the Government that will do more to produce crime than any other act by any Minister is the board and lodging scheme. The NACRO surveys and many others show that young people who are homeless and adrift are highly vulnerable to getting into trouble with the police. The board and lodging scheme will keep young people on the move. It will increase vagrancy and drug addiction because a young homeless person is likely to become a runner to get money. He is likely to use drugs in the way that my hon. Friend the Member for Norwood (Mr. Fraser) described so vividly and so well.

The scheme will lead to alcohol abuse. One of the ways of coping with sleeping out at night is to drink heavily before settling down for a cold night. Alcohol, too, pushes people into crime. The scheme will cause misery for the young people who are part of it and for many others who will suffer the results of the problem.

Which of the recommendations set out in the all-party report on the prevention of crime among young people will the Home Secretary introduce and when will he implement them? I shall be content if the right hon. and learned Gentleman chooses to make an announcement on another occasion. We look forward to his statement at some stage.

The hon. Member for Ealing, North told us that he was consulted on the management issue. I understand why the hon. Gentleman has had to leave the Chamber. As I said in an intervention, he was not consulted. No London Member of Parliament was consulted. I am not even sure that the Home Secretary and the Minister were consulted. They might have been, but everyone accepts that that management scheme is not good in terms of consultation not just because it crosses borough boundaries, as has been said, but because it brings in different areas — the middle class suburbs with the inner city areas. It produces many consultation problems.

There must be democratic control of the police. Anyone who argues against that must be out of his or her mind. In the last century the House had a record of which we should be proud for setting up Select Committees that called evidence. Somehow we lost that in the recent past and had to regain it. The House set up committees to investigate riots, disorders and policing. One of my biggest criticisms of the Home Secretary is that we can have riots in Savernake forest and shootings in the streets of London,

such as in the Baigrie case, and yet we do not have a statement in the House nor do we receive effective replies to the questions that we ask in letters to the Home Secretary. I still have not received a detailed reply from the Home Secretary about what he will do about shotguns and how Mr. Baigrie obtained that shotgun. We have had no answers or thoughts about that. The message that goes out to the British people is that the Government do not believe that those matters are important enough to make a statement about them in the House or in public. That is unacceptable.

I should like an answer today to my next question. I am deeply disturbed about the number of accidents in which the police have been involved. The Minister will know this because he has replied to written questions from me, but it seems that at least 26 police officers have been killed in police driving accidents, yet the police officers' training manual states:

"It is far better that a criminal should escape for the time being than that the crew of a Police Car and other road users should be exposed to grave risk of injury."

I do not believe that this is an unreasonable request, but I hope that the Minister will ensure that the figures are soon available. Our questions have not been answered because, the Minister says, the information is not available. I understand why. It is unacceptable that so many police officers and other road users are killed and that no statement is made to the House or answers given to written questions. I ask the Minister to say that the figures will be collected and a statement made.

On firearms, I notice that page 157 of the report states that there has been an increase in new firearm certificates. When will the Home Office set up some departmental machinery to review the whole subject of guns, replica guns and other weapons and the issue of certificates?

I should have liked to speak about the need to provide compensation for police officers who are killed or injured on duty so that they no longer have to go through the Criminal Injuries Board procedure. I should also have liked to talk about the excessively bureaucratic nature of the new complaints procedure that has been introduced. We should much prefer a system based upon the ombudsman which would be less bureaucratic and therefore release more police officers to do the job that hon. Members want them to do.

The Government's record on law and order is a disgrace. They promised the world and delivered nothing. All that they have been able to fall back on has been the one fig leaf of neighbourhood watch, and vicious, unjustified attacks on the GLC which they cannot substantiate when they are asked. That is not an answer to the problems facing the people of this country.

2.18 pm

The Minister of State, Home Office (Mr. Giles Shaw): The hon. Member for Hammersmith (Mr. Soley) will allow me at least to comment on the fact that a Government who have increased resources for the police from £1·1 billion to £2·8 billion, and have increased the number of police officers by 12,500 in four years, have made a sufficient demonstration of a commitment to law and order.

The crime figures have increased continuously and alarmingly for many years, as the right hon. Member for Manchester, Gorton (Mr. Kaufman) correctly pointed out, but there can be no suggestion of anyone being complacent about significant increases in crime. It is in no sense a comfort, but the increase in crime in England and Wales between 1979 and 1984 was about 37 per cent. whereas in the Metropolitan police area it was 29 per cent. Crime in London has not increased as alarmingly as elsewhere.

That is the magnitude of the task that faces the Metropolitan police and the Commissioner. That is why every effort is being bent towards seeing that London policing is redesigned to make it more effective in the continuing fight against crime.

Many hon. Members raised different matters in the debate. One of the most significant was in connection with reorganisation. The hon. Member for Newham, South (Mr. Spearing) referred to the areas. I make it clear that the decision on the eight areas is final, but that the decision on the divisions and how that works is a matter for which consultation is still in order. That is the backbone of the reorganisation.

Let us be clear about why this reorganisation is taking place. As the Commissioner says on page 17 of his report, when he considers the rationale behind that major reorganisation:

"the rationale for change lay in:

badly defined roles which resulted in large parts of the organisation working towards their own ends rather than toward a shared purpose;

too much energy and effort being wasted in keeping the organisation going instead of serving the mainline job of policing;

the size and power of headquarters strangling the Force, taking up valuable manpower and placing unnecessary demands on the remainder; and

the tendency for the organisation to try to cope with problems through superficial changes in the bureaucratic system, rather than looking for real solutions."

With such importance attached to it, that a major structural change is subject to the Commissioner's operational decision, in consultation with the police authority. That is the decision that has been made. The consequence of that major change in structure will be to provide substantially more resources and, above all, substantially more focus on the boroughs, such as the one that the hon. Member for Newham, South represents—

Mr. Spearing: Will the hon. Gentleman give way?

Mr. Shaw: I cannot give way. The hon. Gentleman will appreciate that there are about nine minutes to go till the end of the debate.

Mr. Spearing: That is not the point. It is not a reorganisation.

Mr. Shaw: The fact remains that about 19 per cent. of the manpower of the Metropolitan police have been involved in the headquarters buildings. Therefore, the change represents an important release towards operational policing.

With regard to the divisions, the hon. Member for Newham, South will know that many boroughs already have cross borders with other police divisions. That has been so in the past. There is nothing peculiar about that. However, with regard to the decision to change from the original figure to eight——

Mr. Spearing: Reply to my point.

Mr. Shaw: The hon. Gentleman can write to me if he wishes, and I shall give him a proper answer. Other matters raised in the debate——

Mr. Spearing: Reply to my point. Read my speech.

Mr. Shaw: The hon. Gentleman is beside himself—

Mr. Spearing *rose*——

Mr. Shaw: I shall not give way.

I now refer to other points made by other hon. Members. My hon. Friend the Member for Westminster, North (Mr. Wheeler), in an excellent contribution, made crime prevention his major theme. Although the hon. Member for Hammersmith does not appear to believe in the neighbourhood watch scheme and does not want to see it encouraged, it is a fact that it is one of the most important developments that the Commissioner has undertaken. About 1,200 neighbourhood watch schemes are now established in the metropolis and about 515 more are planned. That is an important part of the proceedings.

It is a vital part of the Commissioner's proposals that consultation be established throughout the metropolis in the areas in which the new police arrangements will be set. Consultation groups of the kind that the Commissioner has asked to be established under his new guidance will be the vital vehicle, the forum within which all those matters and issues can be discussed. It is important to note that funding will be available under the Metropolitan police budget to ensure that those groups are capable of supporting themselves administratively.

The hon. Member for Woolwich (Mr. Cartwright) referred to the Police Complaints Authority, which was also mentioned by several hon. Members, including the hon. Member for Leyton (Mr. Cohen). The Police Complaints Authority, in its new guise, with its independent authority chaired by a former parliamentary ombudsman, provides infinitely greater independence in the handling of complaints, both in the supervision and direct handling of the more serious complaints. That arrangement has been widely welcomed, as it is regarded as a major change of quality and quantity in how complaints will be handled. I do not agree that the Police Complaints Authority should be tarred with the brush that it is not independent. It is substantially independent.

The right hon. Member for Gorton mentioned women recruits to the Metropolitan police. The force is making a considerable effort to improve its recruitment of women officers and to ensure that they are treated fairly. The Commissioner has set up a working party, assisted by a representative of the Equal Opportunities Commission, to undertake an overall review of the recruitment and employment of women in the force. All women who are interviewed for selection are interviewed by a panel which includes at least one senior woman police officer. In view of that, I hope that recruitment will improve. The right hon. Gentleman might wish to know that a woman was recently promoted to the rank of commander. She is the second to be promoted to that rank in the Metropolitan police.

The hon. Member for Norwood (Mr. Fraser) made a thoughtful speech and mentioned ethnic recruits. At the last count, there were 270 ethnic minority officers in the Metropolitan police, 228 male and 42 female, 20 of whom were in the CID. I hope that that answers his question about whether any detectives are drawn from minority groups.

Mr. Corbyn: Will the Minister give way?

Mr. Shaw: At the end of 1980 there were 108 ethnic minority officers in the force, so there has been a substantial improvement, although I understand that it might not be satisfactory to all.

Mr. Corbyn: What about non-uniformed staff?

Mr. Shaw: The main issue raised by some of my hon. Friends was that of increased establishments. Increased establishments have been the order of the day in the rapid growth of the Metropolitan police recently, but I must tell my hon. Friends, especially my hon. Friend the Member for Carshalton and Wallington (Mr. Forman), that there has been a significant improvement in cash resources and in manpower. The increase of 4,500 in the uniformed strength is equivalent to the entire police force of Merseyside. That is a major increase.

With the major structural change that is now in hand, the redeployment that it will bring, and with the increased resources now available, there should be a much better chance of more policemen being redeployed into the community and on to the beat, where hon. Members want them to be. Having about 19 per cent. of manpower employed in headquarters is hardly the best way in which to get optimum efficiency out of this huge metropolitan force. Although there is no significant increase in establishment in prospect, there has been consistent growth during the past five years and now, with the redeployment being engineered by the Commissioner, there should be a massive improvement in the number of police on other duties.

The debate has been characterised by the awful problems of dealing with crime and drugs and by the demand for further resources. I think that both sides of the House agree that the most important development is the increased commitment to the community having a role to play in policing. That has been recognised in the Commissioner's report and in the reorganisation.

Mr. Spearing: No.

Mr. Shaw: There will be community consultation——

Mr. Spearing: It is too late.

Mr. Shaw: —throughout the metropolis, which was not established before. Opposition Members should not assume that the borough is the sole gift for community representation when it comes to community policing. The remit of the Metropolitan police and its structure under my right hon. and learned Friend the Home Secretary as police authority requires an all-London basis for consultation. The method of consultation outlined in the Commissioner's guidelines will stretch that consultation beyond the remit of borough councils. That is the intention, and it will be established soon.

With more than 26,000 officers, the Metropolitan police is the largest police force in the United Kingdom, but as this is a metropolitan capital city the force has a national role to play, which includes dealing with terrorism and the protection of diplomats and of royalty. However, its role is based upon the community of London which it seeks to serve. The House will conclude that the Commissioner's report for this year shows clearly how seized he is of these objectives and how determined he is to ensure that during his leadership of the force London will be better policed in the years to come.

It being half past Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

BUSINESS OF THE HOUSE

Ordered,

That, in respect of the Further Education Bill *[Lords]* and the Sporting Events (Control of Alcohol, etc.) Bill, notices of Amendments, new Clauses and new Schedules to be moved in Committee may be accepted by the Clerks at the Table before the Bill has been read a second time.

Ordered,

That, at the sitting on Wednesday 3 July, Standing Order No. 3 (Exempted business) shall apply to the Motion in the name of Mr. Secretary Hurd relating to the draft Local Government (Miscellaneous Provisions) (Northern Ireland) Order 1985 with the substitution of half-past Twelve o'clock or two and a half hours after it has been entered upon, whichever is the later, for the provisions in paragraph 1*(b)* of the Standing Order.—*[Mr. Archie Hamilton.]*

Mr. Brian Brown

Motion made and Question proposed, That this House do now adjourn.—*[Mr. Archie Hamilton.]*

2.30 pm

Mr. Robin Cook (Livingston): I wish to raise a matter of the greatest gravity, arising out of the suicide of a constituent. This issue has moved me deeply, but I shall try to place it before the House in as dispassionate matter and with as little partisan flavour as possible. I am anxious that when the Minister for Social Security replies to the debate he should do so not in a spirit of seeking to justify what his Government have done but in a spirit of honestly examining the effect of the regulations. His junior Minister, the Under-Secretary of State for Health and Social Security, was challenged on this matter last weekend but did not show a willingness honestly to examine the effect of the regulations. He said:

"The whole campaign of opposition to the proposals is no more than political brouhaha . . . Nobody in need can slip through that net of exemptions. Opposition is coming solely from those individuals who cannot be bothered to look for jobs and prefer to live without effort off the B and B allowance."

I hope that it will be felt at the conclusion of my speech that that view is profoundly mistaken and gratuitously insulting.

The facts concerning my constituent can be briefly cestated and are not in dispute. He was 23 years old. His mother had remarried and lived with Brian's stepfather and stepbrother in my constituency. Brian had a history of psychiatric illness and had been a resident, on and off, for the best part of three years at Bangour village hospital in my constituency. In November he was discharged as fit and, as the phrase goes, returned to the community. He then went into board lodgings in Edinburgh, where he remained thereafter. His medical social worker drifted out of touch with him in January, but he was encouraged by the fact that Brian obviously wished to be independent and was seeking to get beyond reliance on the mental health system.

Brian appears to have lived reasonably satisfactorily for the next six months. Then on 17 May his world collapsed. He received a notice advising him that his weekly benefit would be reduced from £69·50 to £25·75 on 27 May. We know that thereafter he approached the Edinburgh housing department to seek rehousing, but for a number of years Edinburgh district council has built no new council houses and as a result has an enormous waiting list. There was no prospect of it being able to rehouse Brian and it was under no duty towards him, as a single person, under the Housing (Homeless Persons) Act 1977.

Brian was put out of the hotel where he was staying at the end of the week in which his benefit stopped. He was successful in finding accommodation in another establishment for a few nights but he was put out of it on 6 June. He slept rough for the next two nights and was last seen alive in the all-night cafeteria of Waverley railway station. Thereafter, he climbed on to the north bridge and threw himself off it. He went through the roof of the railway station on to the platform below. There is no doubt that he committed suicide and there is no doubt in my mind that it was induced by the state of despair and homelessness to which he was reduced by these regulations.

One of the first lessons to be learned from this case is that it is clear that Brian Brown was in one of the exemption categories but failed to get exemption from the

[Mr. Robin Cook]

regulations. The most alarming feature of his case is not that he was an exception but that his experience is all too common among the many other people who fail to get the exemption to which they are entitled under these regulations. Since the news that I had this Adjournment debate became public, I have received much correspondence from organisations and societies. Indeed, I have never had such a large mailbag on any single issue during the 12 years I have been a Member. All those representations frequently returned to the same point—the difficulty faced by those who are exempt in securing that exemption.

The Minister has received a list of such cases from the "That's Life" programme, which had conducted some excellent research into the impact of these regulations. He responded on Tuesday by suggesting that those individuals who were exempt should come forward and claim exemption. There are a number of problems with that approach, and I wish to illustrate them from Brian Brown's case.

The reason why Brian Brown could claim exemption was that he had a history of mental illness. I find it distasteful that anyone should have to seek the right to benefit by disclosure of that type of background. We know from his case that he was trying to get beyond his mental illness and his association with the mental hospital. He may well not have wished to come forward and make a claim for exemption on that basis, knowing that the inevitable effect would be to put him back in contact with the mental health system; otherwise, there was no way in which he could prove his case for exemption. The knowledge that that contact was in prospect may well have triggered a psychological reaction that predisposed him to suicide.

It is possible also that Brian Brown never knew that he was exempt. I have seen the application that he submitted to the housing department. It is clear that Brian was barely literate. I doubt that he read the accompanying literature or, if he read it, that he comprehended it.

There is another possibility—that Brian could have applied for exemption and been refused. It is clear that large numbers of cases that should be exempt have been unable to obtain exemption when they applied. I turn to one case from the "That's Life" programme which was featured last Sunday and which has been put to the Minister. It concerns a girl with severe epilepsy, suffering frequent epileptic fits, who applied for exemption on that basis. I should have thought that no hon. Member would doubt that that was qualification for exemption. By last Sunday, she had received a further letter from the DHSS stating that this did not qualify her for exemption.

There is a wide variation in the proportion of cases getting exemption. In the north-east, 80 per cent. of claimants at one DHSS office have been granted exemption. At one Scottish local office, only 2 per cent. of claimants have succeeded in getting exemption. It is impossible to look at that extraordinary rate of variation without concluding that some people entitled to exemption are not getting it.

There is another unsatisfactory feature of relying on the system of exemptions to make these regulations humane. It places upon these vulnerable young people a strong incentive to remain in one of the exempted categories and not get beyond it. Lothian social work department, at a time when it is being encouraged—indeed, forced—to reduce its staff, has hired five additional social workers to work with those rendered homeless by the regulations. One reason is the increased number of referrals of young people from the social work department because those young people can thereby claim exemption.

The position of those on probation is more acute. It is becoming impossible for social workers to consider discharging clients who are on probation if the effect of discharging them is to remove them from exemption and thereby render them homeless. What more absurd conclusion could there be to a period of probation, and what would be more likely to predispose them to return to a life of crime?

The Government appear to think that those who do not qualify for or secure exemption should return to the parental home. The problem with that is illustrated by the case of Brian Brown. He was not a youngster, but a man of 23. At 23, I was married and living in my own home. It is not surprising that people of that age wish to live an independent existence and do not readily accept that they should return home to mummy. In many cases, the cosy parental home waiting to welcome them back is a myth. Frequently, the background of homeless young people is broken. A stop-over hostel in Edinburgh which caters for young single homeless people calculated that 70 per cent. of its young people have lost a parent either through death or divorce.

One does need a degree in psychology to understand the tensions and resentment of some young people towards a stepfather who married their mother late in their lives. Sometimes, that is felt by the stepfather towards the children of the previous husband. That does not apply in this case, but it is well-known among social workers that one of the main reasons why young girls and women become homeless is the sexual advances or assaults of a stepfather in the house. It is grotesque to suggest that they should return to that risk in the step-parental home because the benefit has been cut. Many of them will not go.

Large numbers of young people in Scotland are now making shift by desperate expedients. One victim in Kirkcaldy took to living in a tent on the beach there. Others sleep in bus shelters. In Edinburgh, a public house serves as a clearing house between young men made homeless by the regulations and homosexual older men who offer them accommodation for a few nights in return for sexual favours. It is incredible that late in the 20th century we are abandoning vulnerable young people to such an existence.

Brian Brown did not have the skills or the psychiatric stamina to survive the circumstances. He killed himself after two nights sleeping rough in the summer. There will be other such cases when cold autumn weather sets in, unless we change the system by then. I shall suggest to the Minister a number of ways to make the system more humane. If he cannot respond to them immediately, I ask him to consider them and to write to me later.

First, if the Minister remains convinced that there is a problem of abuse, why does he not stand the system on its head, and give wider powers to the DHSS to suspend benefit where abuse is suspected, rather than suspend everybody's benefit and oblige those who are not abusing the system to prove that they qualify for exemption? That would put the onus on the DHSS to establish abuse, not on the claimant to establish that he is not abusing the system.

Secondly, the Minister should consider the change, which was made between the consultation paper and the regulations, not to provide exemption for young people living locally. That has created a great deal of difficulty. Had such an exemption existed in the case of Brian Brown, he would not have been caught by the regulations.

Thirdly, on Tuesday the Minister invited organisations working with young people to help them to claim exemption and to notify the DHSS of any cases at risk. If he is serious in inviting that assistance, the DHSS should notify such organisations of those who are likely to lose benefit and to whom notices have been sent, so that they can find out whether the young people are vulnerable and at risk and could claim exemption.

Fourthly, as a minimum will the Minister consider including in the notice to young people reducing their benefit information on where to find organisations such as citizens' advice bureaux and social work departments to obtain the advice, assistance and information that they may need to figure out whether they are exempt under the regulations?

Finally, what is so impressive about the weight of evidence that I have seen this week is that it has arisen so early in the life of the regulations, which came into force only two months ago. The first evictions began only four weeks ago, when the reduction in benefit started to bite on those caught four weeks previously. In London and Glasgow, the regulations came into effect only on Monday and the first eviction will take place this weekend. The appalling crop of cases that has been gathered so far has thus come to the surface without the metropolis even being involved. The regulations are already causing suffering to an extent of which the Minister was warned but which he did not expect when the regulations were introduced. I do not expect him to say so when he replies to this debate, but I suspect that in his heart he knows that I am right.

2.46 pm

The Minister for Social Security (Mr. Tony Newton): First, I am extremely grateful to the hon. Member for Livingston (Mr. Cook) for the careful and considered way in which he has dealt with this very difficult issue. I am only sorry that the debate takes place against the tragic background of the particular case which has led the hon. Gentleman to bring the matter to the House in this way. I therefore wish to begin by saying, as I said to the hon. Gentleman in the exchanges that we had when I made a statement on the matter last Tuesday, that I very much regret the circumstances of Mr. Brown's death and confirm the sympathy that I extended to Mr. Brown's family on Tuesday on behalf of myself and the Government.

Like the hon Gentleman, I am in some difficulty about the extent to which I can comment on that particular case today as I am advised that inquiries are taking place with a view to the possibility of holding what I believe is known in Scottish law as a fatal accident inquiry. That places constraints on what can be said in the House. I am therefore not in a position to discuss in great detail the circumstances of Mr. Brown's claim for benefit or any relationship between that claim and his death. I wish to make just one point which is slightly at variance with the hon. Gentleman's account of the benefit history and to explain exactly what the position was from the point of view of the Department early in May.

The hon. Gentleman said that Mr. Brown received a letter on 17 May. I understand that the letter was sent out by the local office on 6 May advising Mr. Brown of the changes in supplementary benefit for unemployed people aged 25 or under living as boarders. As the hon. Gentleman fairly acknowledged, the letter referred to the exemption categories. Mr. Brown did not reply to the letter and the local office therefore took no further action. When the notice ran out supplementary benefit would have ceased altogether as Mr. Brown was entitled to unemployment benefit of £28·45 which would have exceeded any supplementary benefit to which he would have been entitled apart from the board and lodging regulations. That is a simple statement of what happened at that time from the point of view of the Department.

I should emphasise—again, I am grateful to the hon. Gentleman for the way in which he put this—that it seems clear that Mr. Brown would almost certainly have been exempt from the time limits had the full facts been known to the local DHSS office. Our staff can obviously only go on the information that they are given.

We have further reinforced the guidance to our offices about the importance of taking all facts into consideration as soon as they are received. We are also reinforcing the terms of the advice that we give to claimants emphasising that they should let the DHSS office know immediately if they think that they fall into an exemption category or there are other special circumstances about which we should know.

As I hope I made clear on Tuesday, that is not a request that we wish to limit to claimants only. We would welcome information on their behalf from relatives, social workers, voluntary agencies and anyone else who may have facts which our officers should know in determining the assessment of any case. Of course, I shall look further at the points on this aspect of the administration of the regulations that the hon. Gentleman raised towards the end of his speech. Next Tuesday, the House is due to debate the amending regulations which I announced last Tuesday, and I shall seek to make some further response to those points then.

Hon. Members will know of the reason for the Government proposing the changes in the regulations which came into effect on 29 April. I shall not repeat the exact figures that I gave on Tuesday about the huge increase in expenditure on board and lodging in recent years and the parallel huge increase in the number of people claiming. But I ought just to emphasise that the increase in the number of board and lodging cases, especially in the under-26 age group, has gone far beyond anything that could be explained by some of the factors sometimes adduced. During 1983, the number of claimants under 26 in board and lodging rose by 60 per cent. I do not believe that anyone could suggest that that rise was explained by any obvious change in social needs, including the unhappy problem of unemployment. As it happens, the number of unemployed claimants rose by 5 per cent. in the same year. That is so far away from the 60 per cent. increase in board and lodging cases that it is impossible to blame it on unemployment.

To a considerable extent, it is clear that significant numbers of young people were being encouraged into board and lodging accommodation by the existence of the previous DHSS benefit rules and the very large sums of

[Mr. Tony Newton]

money available under the previous system—up to a maximum of £110 per week in the case of one local office area—to those in board and lodging.

There is no doubt that that was accompanied by a degree of abuse and exploitation of the system, not primarily by young people themselves but by those anxious to make money out of young people by running board and lodging accommodation or moving into the sector and actively seeking to attract DHSS claimants to their establishments. The House is familiar with some of the evidence that I have given on previous occasions about that.

Mr. Frank Dobson (Holborn and St. Pancras): I recognise that there is scandalous exploitation of many young people in this way, but is not it odd to penalise them and not the scandalous profiteers? The Minister lives in my constituency. Why does he think it proper that a young person born and brought up in a council flat on the other side of Red Lion square from where he lives, who falls out with his parents and has to find board and lodging in the constituency should be driven out of the area by a law aimed at those who try to profit from his plight?

Mr. Newton: Perhaps I should make it clear that I live in my constituency but that I sleep overnight in the hon. Gentleman's constituency during the weeks when I must stay in London.

To respond to his point, the Government have always said that our aim in introducing the new board and lodging regulations was at least as much to curtail exploitation by landlords as abuse by youngsters. It is a balance which we have been trying to strike. Although I do not wish to raise the temperature of the debate, I should tell the hon. Gentleman that we have received a significant number of representations from landlords complaining about the effects of our regulations on them, although we have not received as many representations from landlords as we have from claimants. No one should believe that the regulations are directed solely at claimants whose claims we believe to be unjustified. They are directed also at preventing abuse and exploitation by landlords who were taking advantage of the previous system.

When we introduced the regulations, we took steps to protect those vulnerable youngsters who, in our view, needed to be in board and lodging accommodation for more than a short time. We produced a long list of exemption categories, including those who were recently in care, those who have children, the disabled, the mentally handicapped, those who are or have been mentally ill, and everyone who is in board and lodging accommodation as part of a programme of rehabilitation arranged by, for example, the probation service. We also exempted, for reasons that hon. Members will understand, people living in homes which qualify as hostels.

The hon. Member for Livingston fairly acknowledged that those exemption categories appear to cover many of the difficult cases that have been brought to our attention. I fully accept that that means that there is a need to ensure, at the very minimum, that the exemption categories operate effectively. That enables me to repeat the point that I made earlier in my speech. We shall welcome any help from Members of Parliament or others in ensuring that circumstances which should be taken into account are taken into account.

As I made clear to the House on Tuesday, we intend to extend the exemption categories in one case that clearly should be covered—of young people who are presently living in board and lodgings with their parents. We have already made ex gratia payments in advance of the regulations in several such cases. We have taken powers further to extend the exemption categories in cases where a clear need can be shown.

In considering what use, if any, we might make of those powers, I shall take into account the various categories of need which the hon. Gentleman has identified from his correspondence and which he raised in the debate today. I emphasise strongly to the House that the Government have taken powers to make it easier for them to respond quickly to cases where a clear need for exemption is shown.

In concluding this brief response to the hon. Gentleman, may I say that no responsible Government could have allowed the escalating cost of the previous board and lodging regime to continue unchecked, but in seeking to check it we are determined to get the balance right and to protect those who need protection. If what the hon. Gentleman has said has helped me to ensure that the balance will be maintained, I shall be even more grateful to him. I shall certainly continue to act in the spirit in which I hope I have approached this debate.

Question put and agreed to.

Adjourned accordingly at two minutes to Three o'clock.

Written Answers to Questions

Monday 17th June 1985

HOUSE OF COMMONS

Terrace Pavilion

Mr. Proctor asked the Lord Privy Seal (1) what is the annual cost in each of the last two years of erecting and dismantling the House of Commons marquee on the Terrace; and if he will make a statement;

(2) what was the cost in each of the past two years up to March of repairing and refurbishing the House of Commons Terrace Pavilion, including the facilities for the two bars and the allied services following its dismantling and re-erection; and if he will make a statement.

Mr. Biffen: The present awnings for both Houses were new in April 1983 and the cost of erection was included in the purchase price. Since then the Crown Suppliers have let an inclusive competitive contract to cover dismantling, storage, erection and maintenance. It is therefore not possible to quote separate costs for the two Houses, or for repair and refurbishment. The costs for both Houses' awnings, inclusive of VAT, departmental on-costs, and some engineering service costs falling on the Property Services Agency, were:

	£
1983-84	22,479
*1984-85	17,574

* The erection of the awning for this season was after March 1985 and has not yet been brought to account.

In addition, two extensions were provided for the Commons awnings in May 1984 at a cost of £4,669.

Northern Ireland

Mr. Clifford Forsythe asked the Lord Privy Seal how many minutes on average were spent per sitting day during the 1983-84 Session on Northern Ireland business.

Mr. Biffen: Approximately 21 minutes.

ENERGY

Power Station (Norfolk)

Mr. Orme asked the Secretary of State for Energy if, in his discussions with the chairman of the Central Electricity Generating Board, there have been any proposals for a new power station in Norfolk.

Mr. Goodlad: No.

AGRICULTURE, FISHERIES AND FOOD

North-East Drift Net Fishery

Mr. Onslow asked the Minister of Agriculture, Fisheries and Food what has led him to conclude that the catch from the north-east drift net fishery does not represent a threat to Scottish salmon stocks.

Mr. MacGregor: My fisheries scientists, in a report published in 1982, estimated that the effect of the north east drift net fishery on the numbers of salmon caught on Scottish east coast rivers from the Tweed to the Ugie was approximately 6·4 per cent., while the effect on total salmon stocks in those rivers would have been less. Continuing work by the scientists has provided no evidence to suggest that the north east fishery represents a threat to Scottish salmon stocks.

Agricultural Wages Boards

Mr. Penhaligon asked the Minister of Agriculture, Fisheries and Food whether he intends to review the operation of agricultural wages boards; and if he will make a statement.

Mr. Jopling: My right hon. Friends the Secretaries of State for Scotland, Wales and Northern Ireland and I currently have no plans to review the operation of the agricultural wages boards.

Badgers (Tuberculosis)

Mr. Nicholls asked the Minister of Agriculture, Fisheries and Food what progress has been made in the preparation of a vaccine for badgers against tuberculosis.

Mrs. Fenner: Advances have been made in the collaborative research between workers at the central veterinary laboratory and the Middlesex hospital medical school aimed at investigating the immune response in badgers and in testing the BCG vaccine in them.

It must be emphasised, however, that there are many difficult problems yet to be overcome, both in the development of a suitable vaccine and in its use in the field.

Beef Imports

Mr. Nicholson asked the Minister of Agriculture, Fisheries and Food what quantity of beef has been imported into the United Kingdom from countries outside the European Economic Community in the last 12 months.

Mr. MacGregor: During the most recent 12-month period for which figures are available (1 May 1984 to 30 April 1985) the United Kingdom has imported some 102,000 tonnes of beef and beef products from countries outside the European Economic Community. This amount was made up as follows:

Fresh, chilled and frozen beef—35,172 tonnes.

Beef offals, processed beef and beef products—67,035 tonnes.

Source: United Kingdom Overseas Trade Statistics.

Freezer Trawlers

Mr. Spence asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the outcome of the Government's deliberations on the licensing of freezer trawlers for the mackerel fishery.

Mr. MacGregor: Major changes have taken place in the structure of the pelagic fishing fleet in recent years; in particular, the number of freezer trawlers has fallen from 26 in 1980 to one by the end of last year. Fisheries Ministers have therefore decided to institute, in consultation with the industry, an immediate full review

of the restrictive licensing arrangements in respect of the pelagic fisheries, taking into account the current and prospective fishing opportunities.

The review will include consideration of the particular restrictions on the licensing of purse seiners and freezer trawlers announced in a written reply to my hon. Friend the Member for Cornwall South-East (Mr. Hicks) on 29 July 1980. It will be carried out in advance of the review of the restrictive licensing arrangements for pressure stocks generally which is due to take place next year. Pending the outcome of the pelagic review, the three licences for freezer trawlers new to the fishery which were issued earlier this year owing to a regrettable misunderstanding in my Deprtment will be maintained on a provisional basis. In the meantime, no further mackerel licences will be issued to freezers unless the new vessel is to replace the remaining one vessel that has been licenced to fish for mackerel before this year.

The freezer trawlers will be allocated for 1985 a mackerel quota of 3,374 tonnes per vessel, which corresponds to the average catch of purse seiners last year. The definitive management arrangements for this year's North sea herring fishery, including the question of the quotas for freezer trawlers, are still under consideration, but, pending decisions on these, the freezer trawlers will be given an initial allocation of 400 tonnes per vessel when the fishery opens on 16 June, to count against their definitive quota for 1985.

Glysophate

Mr. Ron Davies asked the Minister of Agriculture, Fisheries and Food what was the outcome of the Forestry Commission's application under the pesticide safety precautions scheme for the aerial application of glysophate on up to 500 hectares of land.

Mrs. Fenner: The Forestry Commission has not sought a clearance under the Pesticides Safety Precautions Scheme (PSPS) for the aerial application of glyphosate. However, an application has been made by a chemical company marketing glyphosate preparations, who were granted limited clearance under the PSPS in November 1984 for the treatment of up to 500 ha of forestry with glyphosate. The Forestry Commission will be seeking the company's agreement to use that limited clearance in order to treat commission land. It is envisaged that the treatment will take place in August/September 1985.

ATTORNEY-GENERAL

Molesworth (Leaflet)

Mr. Allan Roberts asked the Attorney-General (1) if he will institute proceedings against the 22 signatories of a leaflet published and first distributed at Molesworth on 22 May, a copy of which has been sent to him, and urging members of the armed forces to disobey certain orders relating to nuclear weapons, for incitement to disaffection; and if he will make a statement;

(2) if, following Mr. Peter Tatchell's remarks on Channel 4's "Comment" programme on 28 May urging members of the armed forces to think twice before obeying nuclear orders, he will institute proceedings against him for incitement to disaffection; and if he will make a statement.

The Attorney-General: As regards the leaflet distributed on 22 May 1985, the views put forward in it are of course quite unfounded in law and illustrate the confused thinking of its authors. However, I am satisfied that those to whom it is addressed are prefectly capable of appreciating it at its true worth and will treat it with derision. I therefore see no need to dignify it by making it the subject of criminal proceedings.

Similar considerations apply to the remarks made by Mr. Tatchell on the Channel 4 programme.

Magistrates' Courts

Mr. Oakes asked the Attorney-General what advice he has given to those benches of magistrates who do not publicise the names of the individual magistrates sitting as a court.

The Attorney-General: The Lord Chancellor has received representations on the withholding of the names of magistrates and, after consultations with interested parties have been completed, he will consider whether he should issue any advice to magistrates on the subject.

Mr. Oakes asked the Attorney-General if he will inquire of petty sessional divisions in England and Wales how many and which benches of magistrates refuse to publicise the names of magistrates sitting in the court.

The Attorney-General: No: I have nothing as yet to add to the answer I have today given to the hon. Member on a related topic.

EDUCATION AND SCIENCE

School Buildings

Dr. Michael Clark asked the Secretary of State for Education and Science what representations he has received alleging deteriorating conditions of school buildings; and if he will make a statement.

Mr. Dunn: My right hon. Friend is aware of some concern. Responsibility for the provision and maintenance of school buildings rests, however, with local education authorities and it is for them to determine their expenditure priorities within the resources available to them.

University Posts

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what information he has as to the number of university posts which have been created under the new blood scheme since its inception, broken down into subject area.

Sir Keith Joseph: The numbers of university posts allocated under the three year "new blood" programme, broken down by subject groups, are as follows:

Allocation of "new blood" posts by subject 1983-84 to 1985-86 (Great Britain)*

Subjects	*1983-84*	*1984-85*	*1985-86*	*Total*
Medicine	43	55	32	130
Engineering/ technology	48	60	35	143
Biological sciences	25	40	23	88
Mathematics	20	27	15	62
Physical sciences	66	85	48	199
Agriculture/veterinary studies	8	11	7	26

Subjects	1983-84	1984-85	1985-86	Total
Arts	15	33	18	66
Social studies, business studies and education	17	39	22	78
Total (all subjects)	242	350	200	792

* Includes posts allocated to the Open university.

Computers

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what is the average number of microcomputers in primary schools and secondary schools; and how many schools do not yet have a computer.

Mr. Dunn: I understand that, in the maintained sector, there are on average about 10 microcomputers per secondary school and about 1·5 micros per primary school. Only a very few maintained schools do not have a microcomputer.

Deputations

Mr. Caborn asked the Secretary of State for Education and Science if he will give the number of requests made by hon. and right hon. Members for deputations to see Ministers in his Department which have been refused in the past six months; which Ministers were the subject of each requested deputation; what are the names of the hon. and right hon. Members who have been refused deputations; what was the date on which the hon. Member concerned was informed that he had been refused a deputation; and what was the issue on which the deputation was requested.

Sir Keith Joseph: The information requested could be provided only at disproportionate cost.

Primary Schools

Mr. Freud asked the Secretary of State for Education and Science whether he will list in the *Official Report* the number of primary schools in each local education authority which are smaller than the minimum sizes discussed in paragraph 275 of the White Paper "Better Schools", Cmnd. 9469 and what proportion of primary schools this represents in each case, at the latest date for which figures are available; and what information his Department has as to the numbers of such schools currently subject to proposals for reorganisation.

Mr. Dunn: I shall write to the hon. Member.

Comprehensive Schools

Mr. Freud asked the Secretary of State for Education and Science whether he will list in the *Official Report* the number of comprehensive schools in each local education authority which are smaller than the minimum sizes discussed in paragraph 275 of the White Paper, "Better Schools," Cmnd. 9469, in respect of *(a)* the number of forms entry, *(b)* the size of the sixth form and *(c)* both the above respects; what proportion of secondary schools this represents in each case; and what information is available to his Department as to the number of such schools currently subject to proposals for reorganisation in each case at the latest date for which figures are available.

Mr. Dunn: I shall write to the hon. Member.

Grammar Schools

Mr. Freud asked the Secretary of State for Education and Science whether he will make a statement on the guidance issued by his Department in respect of the minimum size of grammar schools in terms of *(a)* the number of forms entry, *(b)* the size of the sixth form in the light of paragraph 275 of the White Paper, "Better Schools," Cmnd. 9469, *(c)* the number of such schools in each local education authority retaining selection which are smaller than the guidance in one or both respects and *(d)* the number of such schools currently subject to proposals for reorganisation.

Mr. Dunn: The Department has issued no guidance on the minimum size of grammar schools. The principles for future guidance proposed in paragraph 275 of the White Paper, Better Schools, Cmnd 9469 related to primary schools and comprehensive schools.

Educational Maintenance Allowance

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what would be the cost of providing an educational maintenance allowance of £27 per week, 52 weeks a year to all those aged 16 to 19 years in full-time education in England, including those in further education colleges and taking into account savings in child benefit and existing educational maintenance allowance.

Sir Keith Joseph: About £965 million for England only.

Student Grants

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science (1) what would be the cost of restoring all student grants to their October 1978 value;

(2) what is the average level of mandatory student grant paid to mature students, single mature students, married mature students, and married mature students with children; and how many mature students there are in each category;

(3) if he will estimate the additional cost of awarding all students in higher education a full maintenance grant in each of the categories *(a)* 18 years plus, *(b)* 19 years plus, *(c)* 20 years plus and *(d)* 21 years plus in 1984-85 and in 1985-86;

(4) what would be the cost in 1985-86 of restoring mandatory student grants to the real value of the 1978-79 award.

Sir Keith Joseph: I shall reply to the hon. Member as soon as possible.

PRIME MINISTER

Confectionery Industry (Ministerial Responsibility)

Mr. Gregory asked the Prime Minister if she will list the matters relating to the United Kingdom confectionery industry on which *(a)* the Minister of Agriculture, Fisheries and Food and *(b)* the Secretary of State for Trade and Industry, respectively, answer parliamentary questions.

The Prime Minister: In general the Minister of Agriculture, Fisheries and Food is responsible for the sponsorship of the confectionery industry, including product labelling and compositional standards, but specific matters such as consumer protection and overseas trade are matters for the Secretary of State for Trade and Industry.

A general guide to Departmental responsibilities is contained in The Civil Service Year Book 1985, a copy of which is in the Library of the House.

Bradford Disaster Appeal Fund

Mr. Madden asked the Prime Minister, if she will make it the policy of Her Majesty's Government to increase its contribution to the Bradford disaster appeal fund by an amount equivalent to the estimated value-added tax revenue received from the sales of the gramophone record produced in support of the fund; and if she will make a statement.

The Prime Minister: No. The Government have made a special payment of £250,000 to the Bradford disaster appeal fund, which we believe to be an appropriate response to help the victims of that appalling tragedy.

HOME DEPARTMENT

Civil Defence

23. **Mr. Grist** asked the Secretary of State for the Home Department whether he is satisfied with the co-operation with his Department by Welsh local authorities in mounting civil defence training operations.

Mr. Giles Shaw: A number of local authorities in both England and Wales need to do more to fulfil their obligations, including training, under the 1983 regulations. Nevertheless practically all the Welsh authorities sent people to the Civil Defence college last year and also undertook some civil defence training themselves.

Life Sentence Prisoners

Mr. Tom Cox asked the Secretary of State for the Home Department what is the number of prisons in the United Kingdom which are used as training prisons for inmates serving life sentences; and if he will list the prisons concerned.

Mr. Mellor: Excluding local prisons and remand centres which initially accommodate life sentence prisoners, 44 prison service establishments now accommodate life sentence prisoners. The 29 adult male establishments are as follows:

(a) Eight category B dispersal prisons—
(prisoners who have been placed in security category A are accommodated in these prisons):
- Albany
- Frankland
- Gartree
- Hull
- Long Lartin
- Parkhurst
- Wakefield
- Wormwood Scrubs

(b) Nine other category B establishments:
- Blundeston
- Bristol
- Coldingley
- Dartmoor
- Grendon (also takes male young offenders—see below)
- Kingston
- Lewes
- Nottingham
- Maidstone

(c) Eight category C establishments:
- Acklington
- Featherstone
- Haverigg
- Lancaster
- Norwich
- Preston
- The Verne
- Wayland

(d) Four category D establishments:
- Ashwell
- Ford
- Leyhill
- Sudbury

The six establishments holding females and the ten establishments holding young male offenders are not categorised but are as follows:

(a) Six female establishments:
- Askham Grange
- Bullwood Hall
- Cookham Wood
- Durham
- Holloway
- Styal

(b) Ten young offender establishments:
- Aylesbury
- Chelmsford
- Exeter
- Finnamore Wood
- Grendon (also takes adult males)
- Liverpool
- Lowdham Grange
- Northallerton
- Rochester
- Swinfen Hall

Two further category C establishments for adult males, Stocken and Channings Wood, are expected to receive life sentence prisoners in the autumn. It is also planned to accommodate young male lifers in Castington which is a youth custody centre at present under construction.

Italians (Extradition)

Mr. Soley asked the Secretary of State for the Home Department how many Italians living in Britain are wanted in Italy for terrorist offences; and whether extradition proceedings have been initiated in any cases.

Mr. Brittan: The available information relates to formal extradition requests and to requests for police assistance in tracing and arresting persons alleged to have been involved in terrorist offences. In recent years two persons accused of terrorist-related offences have been extradited to Italy. In 1981 the Italian authorities sought the extradition of seven Italian nationals accused of terrorist offences, but the cases were discharged by the Bow street magistrate because of insufficient evidence.

I understand from the Commissioner of Police of the Metropolis that all but one of the group remained in this country. The commissioner also tells me that the Italian authorities are seeking the arrest of three further Italian nationals in connection with terrorist crime but that it appears that their alleged offences are not extraditable. Extradition proceedings are also currently in progress in respect of one person accused of such an offence.

Concessionary Television Licences

Mr. Madden asked the Secretary of State for the Home Department what representations he has received from Bradford metropolitan council during the last year concerning the issuing of free television licences to all households consisting solely of pensioners; what action he has taken as a result; and if he will make a statement.

Mr. Giles Shaw: Of the three letters received from Bradford metropolitan council in the last year or so on the subject of concessionary television licences, one concerned the issue of free licences to all households consisting solely of pensioners, paid for out of taxation. We have replied explaining that in the Government's view the cost of free licences for all households comprising only pensioners, which we estimate would be about £225 million a year, could not reasonably be added to public expenditure.

Firearms Act 1968

Mr. Ron Davies asked the Secretary of State for the Home Department which chief constables have adapted their procedures to conform with the recommendations of his recent working party's report on the administration of the Firearms Act 1968.

Mr. Giles Shaw: This information is not held centrally.

Mr. Ron Davies asked the Secretary of State for the Home Department if he is aware of any chief officer of police who has failed or refuses to comply with the Firearms Act 1968.

Mr. Giles Shaw: No.

Mr. Ron Davies asked the Secretary of State for the Home Department if he has yet reviewed the effect of the standard territorial conditions for use in the case of firearm certificate holders with access to a number of different locations for the use of weapons; and if he will make a statement.

Mr. Giles Shaw: No. I would refer the hon. Member to the reply I gave to his question on 5 June at column *159*.

Computer Fraud

Mr. McCrindle asked the Secretary of State for the Home Department whether he plans to seek further changes in the law to deter computer fraud and the expansion of crime based on the manipulation of electronic equipment; and if he will make a statement.

Mr. Mellor: We are keeping a watch on developments in this field to see whether changes in the law may be needed. We shall also look carefully at the findings of the Roskill committee which the Lord Chancellor and the Home Secretary appointed to consider the law and procedure in the conduct of criminal proceedings arising from fraud. Recognising the importance of the international dimension, the Government are represented on an Organisation for Economic Co-operation and Development working party studying computer-related criminality.

Coal Industry Dispute (Police Costs)

Sir Hugh Rossi asked the Secretary of State for the Home Department what is the Metropolitan Police Commissioner's policy on recompensing police officers who earned overtime while serving outside the Metropolitan police area during the coal industry dispute.

Mr. Giles Shaw: Under the Police Regulations 1979 overtime is recompensed either by payment at the appropriate rate or by time off in lieu, at the officer's discretion, but if an officer elects the latter and cannot take time off within three months, he must be paid overtime.

The Commissioner of Police of the Metropolis adheres to these regulations.

Metropolitan Police (Manning Levels)

Sir Hugh Rossi asked the Secretary of State for the Home Department if he will call for a report from the Metropolitan Police Commissioner on the actual manning levels in the four police stations in the Hornsey and Wood Green constituency since 1 May and for the comparable period in 1984; and if he will make a statement.

Mr. Giles Shaw: The Commissioner of Police of the Metropolis tells me that the total number of police officers assigned to each of the four police stations was as follows:

Hornsey and Wood Green constituency:
Total Police strength by Police Station (Uniform and CID)

	Wood Green	*Highgate*	*Muswell Hill*	*Hornsey*	*Totals*
1984					
29 April	127	28	39	110	304
6 May	126	28	39	110	303
13 May	126	28	39	113	306
20 May	126	28	39	113	306
27 May	126	28	39	111	304
3 June	126	28	39	111	304
1985					
28 April	129	24	34	125	312
5 May	129	24	34	126	313
12 May	128	24	34	125	311
19 May	127	24	34	125	310
26 May	127	24	34	125	310
2 June	127	24	35	124	310

Note: These figures take no account of temporary absences due to sickness, leave, training, rest days, mutual aid etc.

Television Licences (Refunds)

Mr. Madden asked the Secretary of State for the Home Department in what circumstances refunds on the payment of television licences are payable; and if he will reconsider the criteria applicable in such cases.

Mr. Giles Shaw: Refunds of television licence fees are generally available:

(a) when a licence ceases to be needed within the first 28 days of its validity; or

(b) when two licences are taken out but one was obtained in error; or

(c) when an unexpired monochrome licence is surrendered on issue of a colour licence.

We have no present plans to change these arrangements.

Video Works (Classification Authority)

Mr. Lawrence asked the Secretary of State for the Home Department when he will lay before Parliament his proposals for the designation of persons to act as the authority responsible for making arrangements for the classification of video works under the Video Recordings Act 1984; and if he will make a statement.

Mr. Brittan [*pursuant to his reply*, 11 June, 1985, c. *389-90*]: I have today laid before both Houses of Parliament revised proposals for the designation under section 4(1) of the Video Recordings Act 1984 of those persons who on designation will be the authority responsible for the matters set out in that section of the Act. I now propose to designate the Earl of Harewood, the Lord Birkett, and Miss Monica Sims, respectively the president and vice-presidents of the British Board of Film Classification (formerly the British Board of Film Censors).

WALES

Foreign Investment

8. **Mr. Best** asked the Secretary of State for Wales if he will estimate the amount of foreign investment in Wales and the number of jobs attributable to it since 1979; and if he will make a statement.

Mr. Nicholas Edwards: Inward investment projects in receipt of selective financial assistance since May 1979 amount in value to nearly £750 million. These projects promise about 15,000 new and 8,000 safeguarded jobs. Competition for inward investment is keener than ever but the success achieved over the past two years indicates that Wales has a great deal to offer international companies.

Labour Statistics

14. **Mr. Gwilym Jones** asked the Secretary of State for Wales what were the numbers of those in employment and available for employment in *(a)* Cardiff, North and *(b)*Wales in 1979, 1983 and at the latest convenient date.

Mr. Nicholas Edwards: The full information requested is not available. I shall write to my hon. Friend about the figures for the Cardiff area. For Wales the total in employment, including the self-employed, in June 1979, 1983 and 1984 were 1,133,000, 1,019,000, and 1,043,000 respectively. For the same dates, the numbers of unemployed claimants were 73,500, 162,160, and 162,941 and for May 1985, 178,467.

Education

Mr. Andrew F. Bennett asked the Secretary of State for Wales which local authorities retain a selective secondary school system.

Mr. John Stradling Thomas: None. Although two areas of Dyfed are not yet reorganised on comprehensive lines.

Combined Heat and Power

Mr. D. E. Thomas asked the Secretary of State for Wales if he has any plans to promote combined heat and power projects in Wales; and if he will make a statement.

Mr. Nicholas Edwards: Combined heat and power is covered in the Government's promotion of the efficient use of energy and is the responsibility of my right hon. Friend the Secretary of State for Energy. I therefore do not have any plans to promote the subject.

Courtaulds (Greenfield Site)

Mr. Hoyle asked the Secretary of State for Wales what notification he has received from Courtaulds in respect of capital equipment purchased with Government grants for use at the Greenfield site during the past four years and due for disposal on the closure of the plant.

Mr. Nicholas Edwards: Full details of assets on which regional development grants have been paid were supplied, as required by the conditions of the grants, in the course of a meeting with officials of Courtaulds at the company's Greenfield premises on 8 May 1985.

Early Potatoes

Mr. Geraint Howells asked the Secretary of State for Wales if he has any further plans to help early potato growers in Wales; and if he will make a statement.

Mr. Nicholas Edwards: I am closely monitoring developments in the early potato sector to ensure that there is no unfair competition resulting from breaches of European Community obligations.

Afforestation

Mr. Ron Davies asked the Secretary of State for Wales how many applications for afforestation in Wales under the forestry grant scheme were received by the Forestry Commission in each year since 1981; how many of these received approval for grant aid; and how many were the subject of a site visit by Forestry Commission staff before approval was given.

Mr. John Stradling Thomas: The numbers of applications received for grant aid for new planting and restocking in Wales, from the start of the forestry grant scheme on 1 October 1981, are as follows:

	Number
Six months to 31 March 1982	104
Year to 31 March 1983	140
Year to 31 March 1984	155
Year to 31 March 1985	171
Total	570

Of these, 464 applications were approved, 30 were refused or withdrawn, and 76 were still under consideration at 31 March 1985.

It is the Forestry Commission's practice to inspect the area concerned before approving any application for entry to the forestry grant scheme.

TRANSPORT

Estuarial Crossings (Tolls)

Mr. Henderson asked the Secretary of State for Transport if he now has any proposals to change the position whereby certain estuarial crossings are tolled and others are not.

Mrs. Chalker: No, the position remains as my right hon. Friend explained to the hon. Member on 14 February 1984 at column *113*.

Common Transport Policy

Mr. Colvin asked the Secretary of State for Transport if he will make a statement on the judgment of the European Court in favour of the European Parliament against the Council of Ministers for their failure to agree and implement a common transport policy.

Mr. Ridley: The European Court of Justice delivered its judgment in the case brought by the European Parliament for failure to implement a common transport policy on 22 May. The court ruled that the council had failed, in violation of the treaty, to assure the free provision of services in the field of international transport and to fix the conditions of admission of non-resident carriers to national transport in a member state. The judgment deals only with inland transport but the same arguments are applicable to shipping and aviation.

I welcome the judgment. The Government have consistently pressed for the removal of restrictions on the free provision of transport services in the Community. The judgment supports our case. I hope that it will spur the Council to make more rapid progress towards this goal and that the Transport Council on 24 June can agree a programme of work which will lead to the early implementation of the court's ruling.

Marine Rescue Services

Mr. John David Taylor asked the Secretary of State for Transport what provision there is for marine rescue between Northern Ireland and the Isle of Man; and if he will make a statement on the future of the marine rescue sub-centre at Ramsey, Isle of Man.

Mr. Ridley: Her Majesty's Coastguard has maritime rescue sub-centres at Belfast and Ramsey providing 24-hour coverage of, and co-ordinating capability for, marine search and rescue incidents which occur in the sea area between Northern Ireland and the Isle of Man. Declared rescue facilities are provided by RNLI lifeboats at Donaghadee and Newcastle in Northern Ireland and at Port Erin and Port St. Mary on the Isle of Man, with rescue helicopters of the Royal Navy at Prestwick in Scotland and the Royal Air Force at Valley, North Wales. There are no plans to change these arrangements.

Merchant Ships

Sir David Price asked the Secretary of State for Transport what was the new tonnage of merchant ships ordered for the United Kingdom fleet in 1984; and how much of that tonnage was placed in United Kingdom yards.

Mr. David Mitchell: The tonnage, in gross registered tons of merchant vessels of 100 grt and over, ordered in 1984 for United Kingdom registration was 183 thousand tons, of which 117 thousand tons was placed in United Kingdom yards.

Sir David Price asked the Secretary of State for Transport what percentage of total world merchant ship tonnage is currently represented by the United Kingdom fleet: and what was the equivalent figure for 1965 and 1975, respectively.

Mr. David Mitchell: At 1 January 1985, the latest period for which world fleet statistics are available, United Kingdom registered merchant vessels represented 3·0 per cent. of the world total deadweight tonnage of merchant ships of 100 gross tons and over. The corresponding figures for mid-1975 and mid-1965 are 9·7 per cent. and 12·6 per cent. respectively.

Sir David Price asked the Secretary of State for Transport if he will publish the latest figures for the size of the United Kingdom merchant fleet, measured both in the numbers of ships and in dead-weight tonnage; and what were the equivalent figures for 1965 and 1975, respectively.

Mr. David Mitchell: At end March 1985, the latest period for which figures are available, the United Kingdom-registered merchant fleet of vessels of 500 gross tons and over consisted of 758 ships with a total of 21·1 million deadweight tons. This compares with 1,770 ships of 50·7 million dwt at end March 1975 and 2,461 ships of 26·7 million dwt at end March 1965.

Merchant Fleet (Overseas Earnings)

Sir David Price asked the Secretary of State for Transport what is his estimate of the current contribution of British shipping to the United Kingdom balance of payments; and how this compares with the equivalent figures in 1965 and 1975, respectively, measured in 1985 values.

Mr. David Mitchell: The net contribution of the United Kingdom shipping industry to the sea transport account of the United Kingdom balance of payments is provisionally estimated to be £547 million in 1984. The table shows the equivalent figures for 1965 and 1975 both at current prices and at constant 1980 prices. The 1980 price figures have been calculated using published constant 1980 price indices as a basis. Constant price estimates are complicated to construct and 1985 price figures are not available. Care is required in any interpretation of a net balance expressed at constant prices.

Net contribution of the United Kingdom shipping industry to the balance of payments sea transport account

£ million

	1965	*1975*	*1984*
Current prices	130	539	547
Constant 1980 prices	89	1,128	591

Vehicles (Regulations)

Mr. Fox asked the Secretary of State for Transport if he will list divisions within his Department responsible for matters relating to the detailed enforcement of the following regulations: *(a)* the Road Vehicles Lighting Regulations 1984, regulations 1-19 with appropriate schedules, *(b)* the Motor Vehicles (Construction and Use) Regulations 1978, as amended, regulations 1-79 with appropriate schedules, and in particular regulations 31 and 31 a-e, *(c)* the Motor Vehicles (Construction and Use) Regulations 1978, as amended, regulations 116b.

Mrs. Chalker: My Department's vehicle standards and engineering division is responsible for the preparation of the regulations listed. New vehicles are, however, approved with regard to their construction by my Department's vehicle inspectorate or the vehicle and component approval division, whilst vehicles already in use on the road are subject to roadside inspections and spot checks by the vehicle inspectorate. The detailed day-to-day enforcement of these regulations is the responsibility of individual chief officers of police.

EMPLOYMENT

Factory Inspectorate

Mr. Litherland asked the Secretary of State for Employment if he is satisfied with the numbers employed by Her Majesty's Factory Inspectorate and the efficiency of their operations.

Mr. Peter Bottomley: Her Majesty's factory Inspectorate has sufficient staff to perform its essential functions. Efforts have been and are continuing to be made further to improve the efficiency of the inspectorate's operations.

Mr. Litherland asked the Secretary of State for Employment if he will list the number of prosecutions made by Her Majesty's Factory Inspectorate between 1979 and 1985 and the average cost or penalty imposed.

Mr. Peter Bottomley: The numbers of prosecutions made by Her Majesty's Factory Inspectorate between 1979 and 1985 and the average penalties imposed are as follows:

Year	*Prosecutions*	*Average penalty* £
1979	1,227	181
1980	1,297	179
1981	1,142	206
1982	1,350	344
1983	1,470	265
1984	1,300	332

1985 figures are not yet available.

Merchant Fleet

Sir David Price asked the Secretary of State for Employment what is the latest figure for employment in the United Kingdom merchant fleet; and how this compares with the equivalent figure in 1965 and 1975, respectively.

Mr. Alan Clark: The following table gives, for the dates specified, the estimated number of employees in employment in the sea transport industry in the United Kingdom. The Department's employment statistics are analysed according to the standard industrial classification (SIC) which does not identify the merchant fleet as such. The figures for June 1965 are for minimum list heading 705 of the 1968 SIC and those for December 1984 are for class 74 of the 1980 SIC. The date for June 1975 is given on both bases.

Sea transport—United Kingdom

	Number of employees
1968 SIC—minimum list heading 705	
June 1965	115,000
June 1975	88,000
1980 SIC—Class 74	
June 1975	86,000
December 1984	38,000

International Labour Organisation

Mr. Prescott asked the Secretary of State for Employment, in respect of which conventions of the International Labour Organisation to which the United Kingdom is a signatory, the United Kingdom's compliance has been the subject of comment by the International Labour Organisation committee of experts; what were those comments; and if he will make a statement.

Mr. Peter Bottomley: The International Labour conventions in respect of which the United Kingdom's compliance has been the subject of comment by the committee of experts in its latest report are as follows:

Convention 26: Minimum Wage Fixing Machinery.
Convention 87: Freedom of Association and the Right to Organise.
Convention 122: Employment Policy.
Convention 144: Tripartite Consultation (International Labour Standards).
Convention 151: Labour Relations (Public Service).

Some of the comments of the committee of experts are long and detailed, and I will write to the hon. Member and arrange for a copy of my letter to be placed in the Library.

The report of the committee of experts is currently being examined by the conference committee on the application of conventions and recommendations at the 71st session of the IL conference in Geneva, and I understand there may be discussion of some of the comments relating to the United Kingdom.

Skillcentres

Mr. Hancock asked the Secretary of State for Employment if he will consider making more resources available for training for mechanical and electrical engineers at skillcentres.

Mr. Peter Morrison: In order to make the best use of taxpayers' money training provision in particular skills is closely tailored to the needs of local labour markets. When evidence exists of changes in demand resources can be transferred into training in the skills required. If the hon. Member has any particular evidence in mind I would be pleased if he will write to me.

Travel-to-Work Areas

Mr. Maclean asked the Secretary of State for Employment, with regard to travel-to-work areas, what was the value emerging from the calculations of the measure commuting links formula for Silloth and Waver wards combined and *(a)* the Workington travel-to-work area and *(b)* the Carlisle travel-to-work area, excluding Silloth and Waver.

Mr. Alan Clark: The commuting links requested are as follows:

(a) Silloth and Waver wards with the Workington travel-to-work area: 0·0016

(b) Silloth and Waver wards with the rest of the Carlisle travel-to-work area: 0·0038.

Mr. Maclean asked the Secretary of State for Employment whether, pursuant to his answer of 30 April, *Official Report*, column *107*, regarding calculations of measure commuting links for travel to work areas he will set out parts *(d)* and *(e)* of that answer the factors Fab, Fba, Wa, Wb, Ra, and Rb as defined in Appendix 2 of the supplement to the September 1984 edition of *Employment Gazette*.

Mr. Alan Clark: The information requested is given in the following table.

	Waver with Wampool and Wigton	*Waver with Aspatria and Ellen*
Fab	10	0
Fba	10	10
Wa	970	970
Wb	1,150	1,290
Ra	790	790
Rb	3,450	1,640

Job Release Scheme

Mr. Madden asked the Secretary of State for Employment whether the job release scheme for the disabled between 60 and 64 years will continue beyond 31 July.

Mr. Alan Clark: Yes. As my right hon. Friend announced on 12 November 1984, at column 445, both the full-time and part-time job release schemes will continue until 31 March 1986 with no further change in the ages of eligibility for both able-bodied men and women and disabled men.

Disabled Persons

Mr. Ashley asked the Secretary of State for Employment, in the light of the recommendation by the Manpower Services Commission report on the quota scheme that further research should be carried out, what initiative the Government will take; and if he will make a statement on the other recommendations of the report.

Mr. Alan Clark [*pursuant to his reply*, 14 June 1985, c. *583-84*]: As I said in my oral answer to the hon. Member for Cynon Valley (Mrs. Clwyd) on 11 June at column 742, I am currently considering the advice and recommendations contained in the Manpower Services Commission's report on the quota scheme. I shall report the Government's conclusions to the House in due course.

ENVIRONMENT

Right-to-Buy Legislation

Mr. Murphy asked the Secretary of State for the Environment if consideration has been given to amending the right-to-buy legislation in order to enable individuals in essential services with tied accommodation to receive assistance to purchase in the open market, as in the case of tenants of charitable housing associations; and if he will make a statement.

Sir George Young: Various possibilities along these lines have been and are being examined. But the scheme to assist tenants of charitable housing associations arose out of special circumstances which do not apply in the case of tied accommodation and there are of course other categories of tenants who are excluded from the right to buy.

Non-combustibility Levels.

Mr. Shersby asked the Secretary of State for the Environment what evidence he has as to the reproduceability and repeatability of the new BS476 part II test for defining the alternative levels of non-combustibility under the draft approved documents relating to the Building Act 1984.

Sir George Young: On the basis of tests carried out by a number of laboratories the British Standards Institution committee was satisfied that the level of reproductability and reoperability was satisfactory. The fire research station is satisfied that in this repect the part II test is as good as if not better than the existing part 4 test.

Mr. Shersby asked the Secretary of State for the Environment whether he is satisfied with the data available to him to set the criteria for defining the alternative levels of non-combustibility under the draft approved documents relating to the Building Act 1984.

Sir George Young: Evidence from actual fires and from tests undertaken by the fire research station indicates that the use of non-combustible materials with less than 0·5 mm combustible facing will not, in the circumstances specified in the approved documents, increase the risk to the safety of the occupants of buildings. Such use is already permitted in Scotland and in inner London.

Mr. Shersby asked the Secretary of State for the Environment what evidence he has of the effect of his proposal under the approved documents relating to the Building Act 1984 to allow composite materials with less than 0·5 mm of combustible facing each side to go untested by allowing the requirements for non combustibility to be limited to the core of such materials, on safety standards.

Sir George Young: My right hon. Friend is satisfied that the test data presented by the fire research station to the British Standards committee responsible for fire tests is adequate for defining the alternative levels of performance under the part II test for the purposes of the building regulations.

Mr. Shersby asked the Secretary of State for the Environment what evidence he has to the effect on

standards of life safety of the changes to the non-combustibility requirements embodied in the approved documents with respect to the Building Act 1984; and if he will make a statement.

Sir George Young: The evidence from existing use, investigation of actual fires and from tests indicates that the proposed changes will not affect life safety standards.

Empty Dwellings

Mr. Chris Smith asked the Secretary of State for the Environment what policy initiatives he proposes to promote a reduction in the current level of vacancies in the private housing sector; and if he will make a statement.

Sir George Young: The Government want to encourage private owners to let empty property. As my right hon. Friend said in reply to the hon. Member for Holborn and St. Pancras (Mr. Dobson) on 12 June, it is hoped to introduce legislation to encourage the supply of more private sector homes to rent but probably not during the lifetime of this Parliament. Meanwhile, I hope that the owners of empty property will recognise the advantages of letting it rather than leaving it empty, and that they will not overlook the possibility of using shorthold.

Mr. Chris Smith asked the Secretary of State for the Environment what action he proposes, in the light of the findings of his Department's recent report "Local Authority Empty Dwellings" *(a)* to reduce the vacancy level of 6·9 per cent. in Government-owned and managed housing and *(b)* to seek to reduce the vacancy level of 2·3 per cent. in local authority dwellings.

Sir George Young: My Department will shortly issue a circular to local authorities setting out ways in which better management can help to reduce numbers of empty dwellings. My right hon. Friend the Secretary of State has also restored eligibility for housing association grant (Mini-HAG) to local authority short-life dwellings.

The circular will be sent to Government Departments and a range of other public sector bodies (to whom as a group the figure of 6·9 per cent. relates) to emphasise once again the need to ensure that vacant housing stock is put back into use or sold at the earliest opportunity.

Mr. Chris Smith asked the Secretary of State for the Environment if, in the light of paragraph 6.2 of his Department's recent report "Local Authority Empty Dwellings" he will introduce legislation to impose upon all local authorities the obligation to place applicants accepted as homeless in accommodation of no lower a standard than that provided for other applicants; and if he will make a statement.

Sir George Young: My right hon. Friend has no plans to introduce such legislation. It is for local authorities to decide how to fulfil their obligations towards people for whom they have accepted responsibility under the Housing (Homeless Persons) Act 1977. As my Department's code of guidance makes clear, the possibilities include the use of their own stock or housing association of private sector property, but authorities are asked to avoid obliging homeless people to spend a certain period in interim accommodation as a matter of policy, and are advised to bear in mind relevant provisions of general housing and public health legislation.

Housing (London)

Mr. John Fraser asked the Secretary of State for the Environment whether it is the policy of his Department to maintain a Londonwide renovation team responsible for the renovation of former Greater London council properties which have been transferred to the London boroughs for which properties the Greater London council maintains a residual responsibility.

Mr. Chris Smith asked the Secretary of State for the Environment (1) whether he has ascertained how many London boroughs would wish, in the event of the Greater London council being abolished, to see Greater London council staff engaged on the programme to renovate former Greater London council housing transferred to the London residuary body and in what circumstances those boroughs would wish to see the staff retained in that body;

(2) in what circumstances Greater London council staff engaged on the programme to renovate former Greater London council housing transferred to the London boroughs would pass to the London residuary body, in the event of the Greater London council being abolished;

(3) what range of staff he envisages will pass to the London residuary body to support programmes related to renovation of former Greater London council housing transferred to the London boroughs, in the event of the Greater London council being abolished.

Sir George Young: My noble Friend will be moving an amendment in another place to the Local Government Bill which will provide for the London residuary body to take a positive role in seeking the views of the boroughs on whether the residuary body should take on specialist teams temporarily while long term arrangements are being finalised. This would apply to renovations teams.

General Improvement Grants

Mr. Arnold asked the Secretary of State for the Environment what is the policy of Her Majesty's Government on the future funding of general improvement grants.

Sir George Young: I refer my hon. Friend to paragraphs 76-79 of the Green Paper "Home Improvement —A New Approach" (Cmnd. 9513), which set out the Government's proposals for providing local authorities with resources and Exchequer support for home improvement grants.

Nuclear Installations (North-West)

Mr. Ashdown asked the Secretary of State for the Environment if he will list and describe the steps taken by his Department pursuant to recommendation 10 of the report of the advisory group chaired by Sir Douglas Black on the incidence of cancers in the vicinity of nuclear installations in the north-west of England.

Mr. Waldegrave: In this field my Department acts jointly with the Ministry of Agriculture, Fisheries and Food. Discussions have continued about new authorisations for discharges from BNFL Sellafield, and there will be formal consultation with the National Radiological Protection Board and the Department of Health and Social Security about the drafts of these authorisations. The new authorisation for liquid discharges is planned to come into

operation before the end of the year. As announced by my right hon. Friend on 18 December, the authorisations will subsequently be reviewed every three years.

The membership of the independent Radioactive Waste Management Advisory Committee has been extended to include medical experts. DHSS is now represented on relevant official committees. My Department, the MAFF and the DHSS are currently considering the most appropriate form of further action to implement paragraph d. of recommendation 10.

STOLport (London Docklands)

Mr. Barnett asked the Secretary of State for the Environment how he proposes to limit the types of aircraft taking off and landing at the proposed STOLport facility.

Mr. Macfarlane: The types of aircraft permitted to use STOLport were defined in the conditions attached to my right hon. Friends' decision on 23 May 1985 giving planning permission for the STOLport. The enforcement of those conditions will, as is normal, fall to the local planning authority.

Maltby Far and Low Common

Mr. Barron asked the Secretary of State for the Environment whether any deed in respect of Maltby Far and Low Common has been deposited with him under subsection 2 of section 193 of the Law of Property Act 1925; and if he will make a statement.

Mr. Waldegrave: No. Under section 193(1) of the Law of Property Act 1925 the public have a legal right of access, for air and exercise, to the areas of common land at Maltby Far and Low Commons, by virtue of their location in an urban district on 1 January 1926. In these circumstances it would not be appropriate for a deed to be deposited under subsection (2).

Urban Aid (Bradford)

Mr. Madden asked the Secretary of State for the Environment if he will reconsider urgently the urban aid allocation to Bradford to meet revenue expenditure; what representations he has received from Bradford metropolitan council and Bradford voluntary agencies about the service implications of the urban aid allocation being reduced; and if he will make a statement.

Sir George Young: I have received a letter from city councillors and the Council for Voluntary Service. I do not propose to alter the allocation, which is the same in cash as last year. While it allows slightly less for revenue it allows more for capital expenditure.

Right to Buy (Southwark Council)

Mr. Gerald Bowden asked the Secretary of State for the Environment what information he has as to the reasons for the delay by Southwark council in proceeding with the application of Mrs. and Mrs. L. Downing of 17 Hillsborough Road to buy their council house; and when he now expects the transaction to be completed.

Sir George Young: I understand that Mr. and Mrs. Downing's right to buy application was delayed principally by Southwark council's failure, as yet, to produce a standard from of transfer for leasehold houses. I expect Mr. and Mrs. Downing to receive legal documentation by the end of June and for completion to take place within a month thereafter. I regret the delays caused by Southwark council.

Nuclear Waste

Mr. Frank Cook asked the Secretary of State for the Environment when he proposes to make a special development order for the geological examination of the site at Elstow in Bedfordshire and any additional sites proposed by the Nuclear Industry Radioactive Waste Executive for the disposal of intermediate level radioactive waste.

Mr. Waldegrave: My right hon. Friend expects to be able to do so in the autumn in respect of sites for a facility for shorter-lived wastes, after NIREX has announced the additional sites to Elstow, and my Department has undertaken appropriate consultations about the drafting of the order.

Mr. Frank Cook asked the Secretary of State for the Environment if he will give an indication of the likely date of the announcement of sites identified by the Nuclear Industry Radioactive Waste Executive for the potential disposal below ground of intermediate level radioactive waste; and if he will make a statement.

Mr. Waldegrave: For a deep underground facility, NIREX has been asked to search for at least three alternative sites, but it is not possible to say at this stage when it will be in a position to make an announcement.

Mr. Frank Cook asked the Secretary of State for the Environment (1) when he now expects the investigation currently being carried out by his Department into the best practicable environmental options for nuclear waste management to be completed;

(2) when the investigation currently being carried out by his Department into the best practicable environmental options for nuclear waste management is due to be completed.

Mr. Waldegrave: I expect the study of the best practicable environmental options to be duly completed by the end of the year.

Rate Limitation

Mrs. Currie asked the Secretary of State for the Environment what is the level of spending below which local authorities will be exempt from selective rate limitations for 1986-87.

Mr. Patrick Jenkin: I have today laid before the House an order which uprates the £10 million exclusion in section 2(2)(a) of the Rates Act 1984 to £10·6 million.

Any local authority in England budgeting to spend below this level this year cannot be considered for selection for rate limitation in 1986-87. Copies of the order are being sent to the local authority associations.

My right hon. Friend the Secretary of State for Wales has already laid a similar order for Welsh local authorities.

NHBC Repair Scheme

Mr. Barron asked the Secretary of State for the Environment if he is now in a position to specify when the first approvals for repairs will be given under the National

Housing Building Council scheme for prefabricated reinforced concrete houses; when he expects the first repairs to be completed; and if he will make a statement.

Sir George Young: I will answer this question shortly.

Urban Programme

Mr. Madden asked the Secretary of State for the Environment how much money has been allocated for the urban programme holiday project for 1985; what expenditure has been agreed in Yorkshire and Humberside; and how both programmes compare with equivalent expenditure in 1984.

Sir George Young: I will answer this question shortly.

TRADE AND INDUSTRY

Aid and Trade

Mr. Richard Page asked the Secretary of State for Trade and Industry what was the proportion of United Kingdom produced materials used in the projects supported through the overseas project fund in each year since 1979.

Mr. Channon: The information requested is not available for the period up to September 1981, when the new guidelines for operation of the overseas projects fund took effect. Since then the proportion by value of United Kingdom goods and services used in the contracts awarded to United Kingdom companies, which received offers from the Fund, was as follows:

Financial year of contract award	*Percentage by value of United Kingdom goods and services*
1981-82*	47
1982-83	39
1983-84	79
1984-85	75

* Six months from October.

Typically, local content has predominantly accounted for the balance of the content values. The increased percentage of United Kingdom content in the latter years reflects the more stringent criteria applied to OPF offers made since September 1981.

Mr. Richard Page asked the Secretary of State for Trade and Industry if he will list the projects that United Kingdom companies have undertaken with support from the overseas projects fund in each year since 1979.

Mr. Channon: For reasons of commercial confidentiality, it is not the practice to disclose particulars of individual cases which have been offered support from the overseas projects fund.

In each of the financial years from 1979-80, the number of projects awarded to United Kingdom companies with support from the Overseas Projects Fund has been as follows:

	Number
1979-80	5
1980-81	21
1981-82	23
1982-83	6
1983-84	5
1984-85	2

Export Controls

Mr. Ashdown asked the Secretary of State for Trade and Industry if he intends to take any action following the remarks of the Lord Chief Justice in relation to the Export of Goods Control Order 1981, made during an Appeal Court hearing on 10 May; and if he will make a statement.

Mr. Channon: No.

COCOM Regulations

Mr. Ashdown asked the Secretary of State for Trade and Industry if he has received a copy of the United States Export Regulations (COCOM) of 29 April.

Mr. Channon: Yes. A notice setting out the amendments to export controls on software and electronic computers appeared in the United States federal register of 26 April.

United States (Technology Restrictions)

Mr. Ashdown asked the Secretary of State for Trade and Industry what representations he has received from the EEC Commission and what information he has supplied to the Commission regarding restrictions placed by the United States Government on access to scientific, trade, technical and academic conferences in the United States of America; and if he will make a statement.

Mr. Channon: I refer the hon. Member to the answers I gave to my hon. Friend the Member for Elmet (Mr. Batiste) on 23 and 31 January at columns *425* and *260* respectively.

US (Export Controls)

Mr. Faulds asked the Secretary of State for Trade and Industry if he has received any information as to whether changes in the United States' security export control procedures have resulted in difficulties being encountered by United Kingdom companies in obtaining electronic equipment or components from that country.

Mr. Channon: While we support the underlying purpose of United States security export controls, the procedures associated with them can be time consuming and a source of occasional difficulty for United Kingdom companies which rely on supplies of electronic equipment or components fom the United States. But I have no information which suggests that these problems have been made worse by recent changes in the US regulations.

Electrical Appliances (Fitted Plugs)

Mr. Roy Hughes asked the Secretary of State for Trade and Industry what representations he has received from the Association of Manufacturers of Domestic Electrical Appliances concerning the demand for plugs to be fitted to appliances before sale; what conclusion he has reached; and if he will make a statement.

Mr. Fletcher: I have not received any direct representations from the Association of Manufacturers of Domestic Electrical Appliances (AMDEA) about the fitting of plugs to appliances before sale. I have, however, seen a copy of a letter from AMDEA to the director of environmental health of Newport borough council. AMDEA explained in this letter that there were still

manufacturing problems with the fitting of plugs to appliances and that a totally reliable plug was needed for use in mass production assembly techniques before these problems could be overcome.

It has been suggested to me from time to time that the safety of consumers would be improved if domestic appliances had 13 amp plugs fitted to them before sale to the public. However, I do not think that the time for introducing legislation to make this mandatory because some 15 per cent. of households in the United Kingdom still have electrical supply systems which do not take 13 amp (square pin) plugs.

Hotels and Guest Houses (Grants)

Mr. Gale asked the Secretary of State for Trade and Industry when he expects to approve proposals from the English tourist board to take further account of the needs of the smaller hotels and guest houses and to modify the section 4 grant scheme.

Mr. Norman Lamont: The English Tourist Board is currently considering a number of modifications to its procedures for administering the section 4 scheme which would be relevant to the needs of smaller hotels and guesthouses, and it hopes to introduce new arrangements shortly.

Telephone Sales Promotion

Mr. McCrindle asked the Secretary of State for Trade and Industry (1) if he has received any representations from the public about companies selling goods or services over the telephone; and if he will make a statement;

(2) if he has been notified by companies or organisations engaged in telephone sales promotion of their intention to achieve self regulation by adopting a code of conduct; and if he will make a statement.

Mr. Fletcher: I receive a number of complaints from the public about companies selling goods and services over the telephone.

I have received no approaches on this matter from companies or organisations engaged in telephone sales promotion. However, following his report on "Selling by Telephone" which was published in October 1984, the Director General of Fair Trading is encouraging the adoption of new guidelines by all firms responsible for initiating or making unsolicited telephone approaches to consumers. I endorse this self-regulatory approach.

Frozen Food

Mr. John Home Robertson asked the Secretary of State for Trade and Industry what was the value and tonnage of quick frozen food exports and imports, respectively, to and from other European Economic Community countries during each of the past five years.

Mr. Channon: Total quick frozen food products are not readily identifiable in the Overseas Trade Statistics. Such information as is identifiable for particular types of frozen food is given in the tables.

Table 1: Frozen fish (excluding crustaceans and molluscs)

	United Kingdom Imports		United Kingdom Exports	
	*Weight	†Value	*Weight	†Value
1980	30	34	24	22
1981	35	37	17	16
1982	46	53	29	29
1983	37	48	22	17
1984	42	53	22	18

* Weight = thousand metric tonnes
† Value = £ million

Source: data corresponding to SITC/R2 Sub-groups 034·2, 034·4, 037·1 (part), and Items 054·61, 058·61, 058·62 and 098·09 (part) in the United Kingdom Overseas Trade Statistics.

Notes:
(i) the European Community is defined throughout in terms of current membership.
(ii) United Kingdom imports are valued cif. exports are valued fob.
(iii) 1984 figures are provisional.

Table 2: Frozen fruit

	United Kingdom Imports		United Kingdom Exports	
	*Weight	†Value	*Weight	†Value
1980	3	2	7	6
1981	3	2	6	5
1982	6	4	5	4
1983	7	5	4	3
1984	6	4	3	3

* Weight = thousand metric tonnes
† Value = £ million

Source: data corresponding to SITC/R2 Sub-groups 034·2, 034·4, 037·1 (part), and Items 054·61, 058·61, 058·62 and 098·09 (part) in the United Kingdom Overseas Trade Statistics.

Notes:
(i) the European Community is defined throughout in terms of current membership.
(ii) United Kingdom imports are valued cif. exports are valued fob.
(iii) 1984 figures are provisional.

Table 3: Frozen vegetables

	United Kingdom Imports		United Kingdom Exports	
	*Weight	†Value	*Weight	†Value
1980	40	14	33	14
1981	67	23	26	12
1982	118	47	24	13
1983	139	55	25	13
1984	137	62	24	15

* Weight = thousand metric tonnes
† Value = £ million

Source: data corresponding to SITC/R2 Sub-groups 034·2, 034·4, 037·1 (part), and Items 054·61, 058·61, 058·62 and 098·09 (part) in the United Kingdom Overseas Trade Statistics.

Notes:
(i) the European Community is defined throughout in terms of current membership.
(ii) United Kingdom imports are valued cif. exports are valued fob.
(iii) 1984 figures are provisional.

Scott Lithgow Ltd.

Mrs. McCurley asked the Secretary of State for Trade and Industry if he will make a statement about the completion accounts relating to the sale of Scott Lithgow Ltd. to Trafalgar House plc in March 1984.

Mr. Norman Lamont: The auditors respectively of British Shipbuilders and Trafalgar House have been unable to reach agreement on these accounts. Under the terms of the sale, therefore, the issues in dispute will be referred to

an independent expert for determination. Meanwhile, British Shipbuilders has agreed to make a payment in respect of issues not in dispute, principally the cost of completing an oil rig for BP, which was partly completed at the time of sale. Pending Parliamentary approval of the necessary supplementary estimate, this payment will be funded through a repayable advance from the Contingencies Fund.

British Overseas Trade Board

Mr. Ashley asked the Secretary of State for Trade and Industry for what reasons the support of the British Overseas Trade Board was withdrawn from British companies exhibiting at the 1985 autumn fair at Frankfurt; how many companies were promised support; what was the anticipated cost of the support; how much notice of withdrawal was given; and how many complaints have been received by his Department or the British Overseas Trade Board.

Mr. Channon [*pursuant to his reply*, 12 June 1985, c. *462*]: Where British Overseas Trade Board (BOTB) support has not been offered to British exporters exhibiting at the 1985 Frankfurt Autumn Fair this is because the BOTB has considered that other overseas exhibitions better meet the objectives of its support by providing the more effective return to the British economy.

The trade associations and other bodies which sponsor BOTB groups at overseas exhibitions were aware that the BOTB's programme of support would be reduced this year; a copy of the BOTB's consultation document—available in the Library — was sent to them on 3 December 1984. No offers of support were made and then withdrawn as a result of the reduction in the programme.

The net cost to the BOTB of support at the 1984 Frankfurt Autumn Fair was £54,000; this could have been expected to be of the order of £52,000 in 1985.

Trade associations and other sponsoring bodies were advised of the BOTB's view about which exhibitions they considered it likely they could include in the programme of support by a BOTB letter dated 17 April. Fourteen letters have been received about the BOTB's decision on this exhibition. Trade associations and others were also informed on 17 April that BOTB support is likely to be given at the Frankfurt Spring Fair in March 1986.

THE ARTS

European Discussions

22. **Mr. Murphy** asked the Parliamentary Under-Secretary of State answering in respect of the Arts, what discussions he has had with Ministers for the Arts of other European countries; and if he will make a statement on the subjects raised.

Mr. Waldegrave: My noble Friend met Ministers responsible for culture within the Community in Brussels on 28 May. They discussed a number of questions, including the needs of the European film and TV programme industry, policy on book pricing, and the future organisation of work within the cultural programme.

NATIONAL FINANCE

Pound Sterling

Mr. Stewart asked the Chancellor of the Exchequer if he will estimate the average value, taking the average internal purchasing power of the pound sterling during 1970 as 100p, of the pound sterling in each year since 1979.

Mr. Lawson: The figures, which are based on the RPI, are as follows:

Internal purchasing power of the pound (1970=100p)

	Pence
1979	33
1980	28
1981	25
1982	23
1983	22
1984	21

Parliamentary Votes (Allocation of Expenditure)

Mr. Faulds asked the Chancellor of the Exchequer with reference to the answer to the hon. Member for Warley East, on 20 May, *Official Report*, columns *340-341*, whether, when Parliament approves the total provision of Votes under the relevant Appropriation Acts, the Treasury may credit the equivalent sums of unused and surrendered balances to other subheads, without first obtaining Parliamentary approval by means of a revote or otherwise, in those cases where the recipient subhead is such as to involve direct public expenditure while the unused balances thus disposed of were originally voted under a subhead restricted to transactions confined by statute within the central Government: and what is his policy towards exceptional cases of this nature.

Mr. Peter Rees: Yes. The Government have discretion to vary the allocation of the total provision approved by Parliament between any subheads within the same vote. This discretion applies equally to transfers from subheads covering transactions within central Government to other subheads, although in exercising it the Government take into account the fact that any transfer between provision classified as non-public expenditure and provision classified as public expenditure could affect net public expenditure. However, in the case to which the hon. Member alludes expenditure on both subheads is classified as public.

The Chancellor of the Duchy of Lancaster announced on 24 April that the Government would be looking at the Vote arrangements governing the acceptance of assets in lieu of tax. That review is in progress.

Mortgage Interest Relief

Dr. McDonald asked the Chancellor of the Exchequer if, pursuant to the answer of 16 May, *Official Report*, columns *189-90*, he will provide the figures for mortgage interest tax relief for 1983-84 onwards, excluding the estimated cost of relief in respect of mortgages previously under the option mortgages scheme.

Mr. Moore: I shall let the hon. Member have a reply as soon as possible.

Johnson Matthey Bankers

Mr. Blair asked the Chancellor of the Exchequer when the Bank of England first indicated to the company its concern about the financial circumstances of Johnson Matthey Bankers.

Mr. Ian Stewart: I shall let the hon. Member have a reply as soon as possible.

European Community (Legislation)

Dr. McDonald asked the Chancellor of the Exchequer whether there is any material, other than the annexes to the letter sent by the Commissioners of Customs and Excise to the European Commission on 28 December 1977, copies of which have now been placed in the Library, pursuant to his earlier answer, *Official Report*, 4 June, column *115*, which an individual would need to have to know his rights and obligations under the directly applicable legislation of the European Communities.

Mr. Hayhoe: I shall let the hon. Member have a reply as soon as possible.

SCOTLAND

Forestry Commission

Mr. John Mark Taylor asked the Secretary of State for Scotland what are the duties and responsibilities of the Forestry Commission's conservancy private forestry and environment officers since the conservancy reorganisation of April.

Mr. John MacKay: The principal functions of the Forestry Commission's conservancy private forestry and environment officers are, in broad terms,

—to advise the conservator on the best use of Forestry Commission resources to achieve a reasonable balance between forestry operations and the protection or enhancement of the environment;

—to promote interest in private forestry and provide guidance to forest district managers on all professional forestry matters relating to private woodlands;

—to co-ordinate sources of advice on all matters relating to broadleaved woodland;

—to provide general oversight and guidance on the implementation of plant health regulations relating to forestry and forest products;

— to ensure that satisfactory liaison is maintained throughout the conservancy with statutory bodies and agencies and organisations representing woodland owners, conservation groups and recreation interests;

—to ensure that the work of the Forestry Commission is properly presented to the public.

Mr. John Mark Taylor asked the Secretary of State for Scotland when the Forestry Commission, in its consideration of applications for felling licences for the clearance of broadleaved woods, adopted its policy of presumption against such clearances; and what size of wood is considered to be a small wood, such that it might be an exception to this presumption, as outlined in the Forestry Commission's booklet on consultation procedures, issued in May 1984.

Mr. John MacKay: The Forestry Commission's approach to the consideration of applications for felling licences for the conversion of woodland to agricultural use has been evolving over a number of years. In March 1984, the point had been reached when the commission's local staff were instructed that there should be a presumption against such conversion. This was reflected in the long-term policy proposals made in the commission's consultative paper "Broadleaves in Britain" issued in May 1984 and formally published as commission policy in its booklet on the consultation procedures issued at that time.

The presumption against conversion, as stated in that booklet, did not include small woods which were not visited by the public and were not a feature in the landscape. A small wood was generally regarded as being one of less than three hectares, but the interpretation of this was dependent on other factors such as the extent and type of surrounding woodlands.

In the light of the operation of this policy and discussions in connection with its broadleaves policy review, the commission subsequently decided that consideration of each case should be on the basis of an initial presumption against the conversion of any woodland to agriculture. This has been reflected in the latest edition of the booklet on the consultation procedures issued in April 1985.

Voluntary Organisations (Grants)

Mr. Bruce asked the Secretary of State for Scotland what is the total value of the grants awarded to organisations under section 10(1) of the Social Work (Scotland) Act 1968.

Mr. John MacKay: Grant payments made in 1984-85 totalled £2,911,490 for revenue expenditure and £148,656 for capital.

Afforestation

Mr. Home Robertson asked the Secretary of State for Scotland on how many occasions the Forestry Commission has awarded grant retrospectively for afforestation under the foresty grant scheme; and if he will list in the *Official Report* the names of the sites involved, their areas, and the reasons why retrospective grant was awarded.

Mr. John MacKay: Since the introduction of the forestry grant scheme in October 1981, the Forestry Commission has approved over 5,500 applications totalling some 157,000 hectares. Of these, approval to planting was given retrospectively on only 10 occasions. The names, location and areas of the sites involved are as follows:

Name and location	*Area on which approval granted retrospectively (hectares)*
Syke Farm, near Buttermere, Cumbria	1·2
College Estate, Kirkoswald, Penrith, Cumbria	0·9
Yonsea Farm, Ashford, Kent	1·3
Exton Estate, near Oakham, Leicestershire	3·2
Thurlow Estate, near Haverhill, Suffolk	0·4
Annat Estate, Lochaber, Highland Region	15·0
Otter Estate, Tighnabruaich, Strathclyde Region	5·1
Strathfillan Estate, near Bridge of Orchy, Central Region	95·0
Doune Estate, Doune by Stirling, Central Region	0·4
High Kiers, Kyle and Carrick, Strathclyde Region	96·0

In eight of the above-named cases, the commission felt morally bound to pay grant because the applicant had been advised or been given the impression, either orally or in writing, that approval had been given and had proceeded with the planting on that basis. In the remaining two cases, an administrative error resulted in payment being made for planting carried out before the scheme had been formally approved.

In all these cases, consultations had been carried out with other interested authorities, as appropriate, and agreement reached on the proposals before a decision was reached to give retrospective approval.

Certificate of Education

Mr. Wilson asked the Secretary of State for Scotland what are the qualifications, the age limits and the maximum number of scripts per marker laid down for Scottish certificate of education examiners; and whether any of these rules have been relaxed in the current year.

Mr. Allan Stewart: The qualifications for appointment as markers of Scottish certificate of education examination scripts and the duties of the post are matters for the Scottish Examination Board. The board stipulates that applicants for appointment as markers must have at least three years relevant experience of presenting pupils for the Scottish certificate of education or three years examining experience in tertiary education in Scotland. There is no minimum age limit for appointment but a maximum limit of 70 years is generaly applied. The maximum number of scripts per marker varies from year to year and from subject to subject. Each year every applicant is informed of his maximum script allocation early in the appointment process.

The board has not relaxed its experience or age criteria this year except in the case of 2 experienced markers who were retained by the board although marginally over the age limit. In most subjects, the maximum script allocation in 1985 increased by comparison with 1984 but in no subject has the maximum allocation increased by more than 25 scripts.

Forestry Commission (Consultation)

Mr. Wallace asked the Secretary of State for Scotland whether the Forestry Commission, when considering ways of achieving greater public accountability in its regional advisory committees, intends to consult interested voluntary bodies.

Mr. John MacKay: I can confirm that it is the Forestry Commission's intention to consult with a number of interested voluntary bodies over its proposals once they have been formulated.

Primary and Secondary Schools

Mr. Wilson asked the Secretary of State for Scotland what were the total numbers of *(a)* primary schools and *(b)* secondary schools in Scotland in 1984, 1983, 1982, 1981 and 1980.

Mr. Allan Stewart: The information is as follows:

Number of Schools/Departments
Year (September)

	1980	*1981*	*1982*	*1983*	*1984*
Education Authority					
Primary	2,522	2,499	2,489	2,461	2,443
Secondary	444	439	442	444	440
Grant-aided					
Primary	21	21	20	20	19
Secondary	23	22	21	20	19
Independent					
Primary	66	65	63	58	58
Secondary	55	54	54	50	52

Mr. Wilson asked the Secretary of State for Scotland if he will list by region *(a)* the primary schools and *(b)* the secondary schools which were closed during 1983 and 1984.

Mr. Allan Stewart: I shall reply to the hon. Member as soon as possible.

Fife Regional Council (Budget)

Mr. Henderson asked the Secretary of State for Scotland if he will estimate the effect on rate poundage in the current year of Fife regional council's expenditure in excess of guidelines in the last year and the current year and of its budgeting for an assumed rate support grant penalty equal to the current year's expenditure in excess of guidelines.

Mr. Ancram: The effect on the rate poundage in the current year of Fife regional council of budgeting £7·762 million above guidelines in 1985-86 with provision for a grant penalty of £7·5 million and a deficit carried forward resulting from the grant penalty for overspending in 1984-85 is 8·1p. The region's overspending of £4·465 million in 1984-85 is equivalent to 2·3p in rate poundage terms.

Pupil-Teacher Ratio

Mr. Wilson asked the Secretary of State for Scotland what, as at September 1984, were the pupil-teacher ratios in education authority schools for *(a)* nursery schools, *(b)* primary schools and *(c)* secondary schools; and how these figures compare with those at September 1983.

Mr. Allan Stewart: The information is as follows:

Pupil-Teacher ratios in education authority schools

Year	*Nursery*	*Primary*	*Secondary*
September			
1983	25·3	20·3	14·0
1984*	25·6	20·3	13·7

*The figures for 1984 are provisional.

Edinburgh District Council (Budget)

Mr. Ron Brown asked the Secretary of State for Scotland what recent representations he has received regarding a meeting with Edinburgh district council to discuss its budget; and if he will make a statement.

Mr. Ancram: On 14 June Edinburgh district council requested a meeting with my right hon. Friend to discuss its representations against his proposal to reduce its rate by 5·2p. On 17 June my right hon. Friend and I met representatives of the council.

My right hon. Friend will now be considering, in the light of these representations, whether and in what terms to lay a report before Parliament seeking approval to a reduction in the council's rate.

Glysophate

Mr. Ron Davies asked the Secretary of State for Scotland under what particular conditions and for what particular management purposes the Forestry Commission is considering aerial applications of the broad spectrum herbicide glysophate; and why in those conditions, spot treatment by hand-held applicators is not considered suitable.

Mr. John MacKay: Glysophate is being used for the control of dense grasses and weeds. Aerial applications has been chosen in a few areas where conditions, such as the size of the area involved or access difficulties, would make spot treatment by hand an inefficient means of applying the chemical.

Broadleaved Woodland

Mr. Ron Davies asked the Secretary of State for Scotland on how many occasions in the year to 31 March the Forestry Commission consulted the Agricultural Department over applications for felling licences to clear woodland for agricultural purposes.

Mr. John MacKay [*pursuant to his reply*, 6 June 1985, c. *256*]: In the year ended 31 March 1985, the Forestry Commission consulted the Agricultural Departments over 163 such cases.

Mr. Ron Davies asked the Secretary of State for Scotland on how many occasions, in the year to 31 March, the Forestry Commission issued felling licences for broadleaved woods; of these, how many licences had conditions requiring the replanting purely of broadleaved trees; and how many hectares of woodland this totalled.

Mr. John MacKay [*pursuant to his reply*, 6 June 1985, c. *256*]: In the year ended 31 March 1985 the Forestry Commission issued 224 licences for the felling of broadleaved trees, of which 103 licences covering 135 hectares had conditions requiring replanting with broadleaves only. In addition, a significant number of licences were issued requiring restocking with a mixture of broadleaves and conifers, designed to lead eventually to woodlands with a predominantly broadleaved character.

Mr. Ron Davies asked the Secretary of State for Scotland on how many occasions in the year to 31 March the Forestry Commission issued felling licences which permitted the clear-felling of broadleaved woodland for conversion to agriculture, and how many hectares of woodland this totalled.

Mr. John MacKay [*pursuant to his reply*, 6 June 1985, c. *256*]: There were 34 felling licences issued in the year ended 31 March 1984 covering 67 hectares.

The information given in my reply to the hon. Member on 25 April, at columns *532-33*, named those broadleaved woodlands licensed for clearfelling for conversion to agriculture in the period 1 January 1985 to 31 March 1985, but should have ascribed 33 of those to the year ended 31 March 1985 and not 31 as stated. A further licence of the type granted in the year but omitted from the list brings this total to 34. This related to a 0·5 hectare woodland at Brook Vessons farm, Shropshire.

Mr. Ron Davies asked the Secretary of State for Scotland on how many occasions in the year to 31 March officials from his Department confirmed to the Forestry Commission that a proposal to clearfell a broadleaved woodland and convert it to agricultural land would make a significant contribution to the viability and economy of the agricultural holding concerned.

Mr. John MacKay [*pursuant to his reply*, 12 June 1985, c. *452*]: There were 21 such occasions, covering all the Agricultural Departments, in the year ended 31 March 1985.

Mr. Ron Davies asked the Secretary of State for Scotland on how many occasions in the year to 31 March the Forestry Commission issued felling licences which permitted felling of broadleaved woods, without there being conditions attached for the replanting solely of broadleaved trees, and what area of woodland this involved.

Mr. John MacKay [*pursuant to his reply*, 12 June 1985, c. *452*]: In the year ended 31 March 1985, the Forestry Commission issued 121 such licences covering 334 hectares.

FOREIGN AND COMMONWEALTH AFFAIRS

South Africa

Mr. Caborn asked the Secretary of State for Foreign and Commonwealth Affairs if Mr. Ewen Fergusson, deputy under-secretary at the Foreign and Commonwealth Office, has visited the United States of America to discuss developments in South Africa in the current year.

Mr. Rifkind: Mr. Ewen Fergusson visited the United States from 18-25 January for a familiarisation visit in relation to his official responsibilities for the Middle East and Africa. His programme included, in New York, meetings with United Nations permanent representatives and officials in the Secretariat General and, in Washington, members of the Senate and House of Representatives, congressional officials and officials in the White House and State Department.

EC (Voting Procedures)

Mr. Stanbrook asked the Secretary of State for Foreign and Commonwealth Affairs what is the policy of Her Majesty's Government and what practice they follow when a veto is exercised by a member state on a matter for which the European Community treaties prescribe majority voting.

Mr. Rifkind: Successive British Governments have held the view that when a member state considers its very important interests to be at stake, discussion should be continued until unanimous agreement is reached. It is our practice to decline to participate in a vote where a member state has explicitly opposed this on grounds that its very important national interests are at stake.

European Council (Luxembourg Meeting)

Mr. Stanbrook asked the Secretary of State for Foreign and Commonwealth Affairs if he will list the

proposals made by member states for dealing with very important national interests at the Luxembourg meeting of the European Council, giving the names of the member states which supported each proposal and the method of treating very important national interests which was proposed in the ensuing Luxembourg protocol, with the names of the member states which supported it.

Mr. Rifkind: The clearest statements of the positions of member states on the Luxembourg compromise were made in declarations which accompanied their signatures of the Solemn Declaration at Stuttgart in June 1983. Copies are available in the Library of the House.

British Nationals (Prison Sentences)

Dr. Michael Clark asked the Secretary of State for Foreign and Commonwealth Affairs how many British nationals are serving custodial sentences in foreign prisons; and if he will make a statement.

Mr. Renton: Our records show that currently there are 564 British citizens (of whom 328 are in Western Europe) and 76 British Dependent Territories citizens (of whom 64 are in Asia) serving custodial sentences in foreign prisons.

Mr. Marwan Lostan

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs whether he will now give details of the clarification provided on 5 March by the Syrian authorities of the reasons why a Syrian national, Mr. Marwan Lostan, was in possession of a Syrian diplomatic passport at the time of his arrest on 20 January; and whether he will make a statement.

Mr. Luce: I have nothing to add to the answer I gave my hon. Friend on 18 April at column 252. We regard this incident as closed.

Syrian Nationals

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs whether any Syrian diplomats have been required to leave the United Kingdom since the deportation of four Syrian nationals on 29 January; and what observations have been made to the Syrian chargé d'affaires regarding the need to avoid violent incidents in the United Kingdom involving Syrian nationals.

Mr. Luce: The Syrian Government are well aware of our grave concern about the circumstances which led to the deportation of four Syrian nationals on 29 January. No Syrian diplomats have been required to leave the United Kingdom in this connection.

Tel Aviv (Palestinian Attack)

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs whether, pursuant to the Under-Secretary of State's reply to the hon. Member for Rutland and Melton on 2 May *Official Report*, column 223, about the attempted terrorist attack by Palestinians on Tel Aviv, he has anything to add in view of the fact that responsibility for the incident was claimed by Yasser Arafat's branch of the Palestine Liberation Organisation in a radio interview by Hani Al-Hassan on Radio Monte Carlo on 26 April; and whether he will make a statement.

Mr. Luce: We are aware of the reports referred to. We have repeatedly stressed our view that all concerned, and particularly the PLO, should renounce violence and concentrate on the search for a peaceful solution to the Palestinian problem.

Old Admiralty Building (Security Cover)

Mr. Crowther asked the Secretary of State for Foreign and Commonwealth Affairs whether he has received any complaints against the present silent hours security cover provided at the Old Admiralty Building by the Department of the Environment custody guards.

Mr. Renton: No.

Mr. Crowther asked the Secretary of State for Foreign and Commonwealth Affairs on what grounds he proposes to change the security arrangements for silent hours cover at the Old Admiralty Building.

Mr. Renton: The Departments housed in the Old Admiralty Building call for closer protection and patrolling than the Property Service Agency custodians generally provide during silent hours. The Foreign and Commonwealth Office has therefore decided to replace them with the Foreign and Commonwealth Office's own security force.

Diplomatic Immunity

Mr. Peter Bruinvels asked the Secretary of State for Foreign and Commowealth Affairs what is the policy of Her Majesty's Government towards the exercise of their powers to send back to their country of origin foreign diplomats who refuse to vacate rented premises when requested to do so by the owners of the property; and if he will make a statement.

Mr. Renton: Requests by landlords to tenants to vacate premises may lead to a dispute about the legal rights of each side. As was stated in the recent White Paper on Diplomatic Immunities and Privileges (Cmnd. 9497), we take a serious view of any reliance on diplomatic immunity from civil jurisdiction to evade a legal obligation, or to impose on another party to a dispute the person's own view as to liability. In such cases we try to bring the parties together to ensure a satisfactory outcome. But if it is thought appropriate we are prepared to consider the removal of a diplomat who abuses his immunity in this way.

Mr. Peter Bruinvels asked the Secretary of State for Foreign and Commonwealth Affairs if he will review the status of representatives of foreign Governments and organisations based in the United Kingdom and the diplomatic immunities and privileges granted to them; and if he will make a statement.

Mr. Renton: We have just concluded a review of the Vienna Convention on Diplomatic Relations and reported to Parliament (Cmnd. 9497). Our policy towards international organisations is based on the principle that they should receive only such privileges and immunities as are necessary to enable them to carry out their functions. This principle is elaborated in Resolution (69)29 of the Committee of Ministers of the Council of Europe, a copy of which is available in the Library of the House (in an appendix to Council of Europe Assembly Document No. 2623).

Sri Lanka (Visas)

Mr. Corbyn asked the Secretary of State for Foreign and Commonwealth Affairs how many applications for visas have been received on the grounds of severe hardship, as defined in the Home Office press statement of 29 May, by the high commission in Colombo; and how many have been *(a)* granted and *(b)* refused (i) overall, and (ii) to Tamils, respectively.

Mr. Renton: The High Commission in Colombo has received a total of 17 applications, submitted on the grounds of severe hardship, all from Sri Lankans of Tamil origin. Sixteen have been refused; the other is to be referred to the Home Office for a decision.

Mr. Corbyn asked the Secretary of State for Foreign and Commonwealth Affairs what was the number of applications for visas made to the British high commission in Colombo since the requirement was introduced; how many have been granted; of these, how many have been granted to Tamils; and how many applications are currently pending.

Mr. Renton: The number of applications for visas received by the High Commission between 30 May and 14 June inclusive was 698, of which 542 were granted. Of those granted 175 were for Sri Lankans of Tamil origin. Thirteen applications are currently pending.

DEFENCE

Nerve Gas Bombs

Mr. Cohen asked the Secretary of State for Defence whether the United States Commission touring Europe recently made any representations to the United Kingdom Government regarding British attitudes towards the storage in the United Kingdom of United States nerve gas bombs; whether any other United States sources have made representations on this matter; and if he will make a statement.

Mr. Stanley: The position remains as set out in the reply I gave to my hon. Friend the member for Bexleyheath (Mr. Townsend) on 26 March at columns 180-81.

Falkland Islands

Mr. Corbyn asked the Secretary of State for Defence what co-operation the United Kingdom receives from Chile in connection with the defence of the Falkland Islands; and if he will make a statement.

Mr. Stanley: The United Kingdom has had normal diplomatic relations, including a defence element, with Chile since 1980. This includes the supply of loan service personnel, training and visits by service personnel. In addition, Chilean ports are used by Her Majesty's ships, including those on duty in the South Atlantic, for rest and recreation purposes.

Chile

Mr. Corbyn asked the Secretary of State for Defence if he will list all loan service personnel who have been posted to Chile since 1 July 1982.

Mr. Stanley: Since July 1982, RAF instructors have been loaned to Chile on a number of occasions. Apart from a period in 1982, when two United Kingdom loan service personnel were assisting the Chilean Air Force, only one instructor has been on loan at any one time.

Strategic Defence Initiative

Mr. Ashdown asked the Secretary of State for Defence what contractual obligations, legal, commercial and technical, the United States of America is requesting of intending commercial participants in the strategic defence initiative; and if he will place a copy of such terms in the Library.

Mr. Butler: Discussion of areas of British contribution to SDI research is at an early stage and no standard contractual terms have been proposed.

Royal Navy (Dental Work)

Mr. Eadie asked the Secretary of State for Defence what plans he has for contracting out dental work for the Royal Navy; and how this will affect Scotland.

Mr. Lee: As part of the continuing search for better value for money in the defence services, a review of dental ancilliary support for all three services was undertaken in 1983. Thereafter a trial was conducted from 1 April 1984 to 31 March 1985 to assess the feasibility of contracting out dental technician support to commercial dental laboratories as an alternative to the work being undertaken by dental technicians within the services. The results are currently being collated and we expect to announce a decision later this year.

Naval Vessels (Port and Refuelling Facilities)

Mr. Soames asked the Secretary of State for Defence by which countries, for what reasons and on how many occasions in the last year British naval vessels have been denied port or refuelling facilities of any sort.

Mr. Stanley: As I said to the hon. Member for Linlithgow (Mr. Dalyell) on 24 January 1984 at column *458*, discussions about Royal Navy ship visits overseas are confidential between Her Majesty's Government and the Governments concerned.

RAF Alconbury

Mr. D. E. Thomas asked the Secretary of State for Defence how much it will cost the Royal Air Force in terms of accommodation, transport and other facilities for personnel who will staff the Rapier anti-aircraft missiles guarding the American facilities at Alconbury from 1986.

Mr. Lee: I will answer shortly.

Airborne Early Warning System

Mr. Favell asked the Secretary of State for Defence what discussions his Department has had with General Electric Company-Marconi about a proposed new airborne early warning system to be developed with Lockheed.

Mr. Butler: I understand that the radar to be used in this venture is a derivative of the one under development for the Nimrod AEW project. GEC Avionics has, therefore, kept my officials informed of its plans.

Mr. Favell asked the Secretary of State for Defence if he will make a statement on the implications for the Nimrod airborne early warning programme of the

proposed joint development of an airborne early warning system by General Electric Company-Marconi and Lockheed.

Mr. Butler: I will answer shortly.

Molesworth Cruise Missile Base

Mr. D. E. Thomas asked the Secretary of State for Defence if he will place in the Library a copy of the Property Services Agency map of Molesworth cruise missile base.

Mr. Lee: I will answer shortly.

Fleet Headquarters, Northwood

Mr. Dalyell asked the Secretary of State for Defence (1) if he will make a statement on the reasons for the delay in the implementation of the new command and control systems and related computers at Fleet headquarters, Northwood and on the consequences of the delay;

(2) what assessment he has made of the implications of the cause and consequences of delay in the implementation of the new command and control systems and related computers at Fleet headquarters, Northwood for the new generation of RAF command and control systems and related computers; and if he will make a statement.

Mr. Butler: The delays in implementing the new command and control systems and related computers at Fleet headquarters, Northwood, arise from late completion of the works programme and underestimation of the complexity of the development. The consequence is that improvements to our command and control capabilities are being implemented more slowly than we had hoped. The hon. Member will understand that I cannot give details of the consequences of the delay for our operational capabilities.

NORTHERN IRELAND

Hospital Nursing Provision

Rev. Martin Smyth asked the Secretary of State for Northern Ireland how many hospital beds and qualified nurses there are in Northern Ireland per head of population.

Mr. Chris Patten: I shall reply to the hon. Gentleman as soon as possible.

Cattle

Mr. Nicholson asked the Secretary of State for Northern Ireland (1) how many cattle have been rejected in meat plants in each of the last 12 weeks; and if he will list the weekly numbers;

(2) how many cattle have been killed in meat plants in Northern Ireland in each of the last 12 weeks; and if he will list the weekly numbers.

Dr. Boyson: The available information is as follows:

Week commencing	*Cattle killed*	*Carcases rejected under Beef variable premium scheme**
11 March	10,817	580
18 March	10,475	513
25 March	11,406	555
1 April	10,323	591
8 April	5,711	352
15 April	10,267	758
22 April	11,180	905
29 April	10,651	715
6 May	9,735	683
13 May	10,138	704
20 May	10,926	646
27 May	8,520	488

* Note: Numbers rejected for other reasons (e.g. veterinary) are not available.

SOCIAL SERVICES

Health Education Council

Mr. Nicholls asked the Secretary of State for Social Services what representations he has received about the work of health education councils during the last 12 months; if he has any plans to reduce their activities; and if he will make a statement.

Mr. John Patten: Letters about the Health Education Council in the past year have included references to its publications and to its work in the fields of pregnancy, personal relationships and nutrition. We have no plans to reduce the council's activities.

Social Security Review

Mr. Gordon Brown asked the Secretary of State for Social Services if the presence test he proposes in paragraph 2.87 chapter 2 volume 2 of the Green Paper on the reform of social security is to cover one year, or more; and if he will make a statement on its relationship to immigration rules.

Mr. Newton: The form of the presence test will be decided in the light of comments received on the Green Paper "Reform of Social Security" (Cmnd. 9517-19).

Mr. Squire asked the Secretary of State for Social Services whether his proposals for the income support scheme include an increase in overall expenditure on the supplementary benefit scale rates for children.

Mr. Newton: Decisions on the rates of income support will be taken nearer the date of implementation. The Green Paper makes clear that we shall be seeking to give greater recognition to the needs of families with children, and proposes the introduction of a new family premium for all families with children on top of the scale rates for individual children. Lone parents would have an additional premium, and families with a child receiving a disability benefit would have a double family premium.

Mrs. Renée Short asked the Secretary of State for Social Services why administrative costs on death grants have risen from the sum of £8 million referred to in paragraph 6 of the 1982 consultative document "The Death Grant" to the sum of £12 million referred to in paragraph 5.30 of volume II of the Green Paper on "Reform of Social Security" (Cmnd. 9578).

Mr. Whitney: The revised estimate in the Green Paper was based on new information and takes account of, for example, increases in the cost of salaries, accommodation, postage and post office encashment charges.

Mrs. Beckett asked the Secretary of State for Social Services if he will discuss with members of the inquiry into provision for retirement his policy towards publication of the report of the inquiry, in the light of observations made by some members about the proposals on this matter set out in the Green Paper; and if he will make a statement.

Mr. Newton: The Government's proposals for pensions policy are set out in the Green paper on Reform of Social Security. This took account of the work undertaken during the inquiry into provision for retirement. It was on this basis that outside advisers took part in the inquiry. They are, of course, free to express their personal views on the conclusions which the Government have reached.

Ms. Harman asked the Secretary of State for Social Services if it is his intention that the social fund proposed in the review of social security will replace existing payments under *(a)* section 1 of the Child Care Act and *(b)* Regulation 9 of the regulation governing payment for board and lodgings; and if he will make a statement.

Mr. Newton: The Green Paper indicates our hope that, when established, the social fund will provide opportunities for greater flexibility in promoting "Care in the Community" objectives through closer co-operation between the social security system and other statutory and voluntary agencies. We have, however, no plans at present for the fund to replace payments under the provisions mentioned; and we do not in general see it as a replacement for the existing powers of local authorities.

Mr. Gordon Brown asked the Secretary of State for Social Services how much he expects the production of *(a)* video material and *(b)* publicity and explanatory material in support of his Green Paper on the future of the welfare state to cost.

Mr. Newton [*pursuant to his reply*, 22 May 1985, c. *470*]: The video which is being prepared as part of our arrangements to inform DHSS staff of the Green Paper proposals is expected to incur costs of about £5,000, excluding the staff time devoted to preparing the video which is not separately identified; it is not yet possible to give firm estimates of the cost of other explanatory material which is under consideration. We intend that all such expenditure should be contained within existing budgets.

Mr. Gordon Brown asked the Secretary of State for Social Services what he estimates to be the total cost of the social security reviews.

Mr. Newton [*pursuant to his reply*, 22 May 1985, c. *470*]: The main element of the cost of the social security review is the staff costs of officials working wholly or part-time on the review. No special record was kept of the proportion of staff time devoted to work connected with the review and no accurate estimate of the total cost of the review is therefore possible. The separate report of the independent housing benefit review (Cmnd. 9520) gives the estimated cost of that review as £148,577.

Mr. John asked the Secretary of State for Social Services whether the assessment unit for income support will in all cases be the same as the assessment unit for supplementary benefit.

Mr. Newton [*pursuant to his reply*, 13 June 1985, c. *559-60*]: The resources and needs of partners and their children will continue to be aggregated.

Mr. John asked the Secretary of State for Social Services whether all those receiving income support or family credit will be automatically eligible for help with funeral expenses from the social fund.

Mr. Newton [*pursuant to his reply*, 13 June 1985, c. *559-60*]: Yes, subject to further consideration during the consultative period of the extent to which capital should be taken into account for this purpose.

Mr. John asked the Secretary of State for Social Services (1) whether the loss to supplementary benefit claimants of a proportion of their housing benefit in respect of rates will be balanced by a compensating adjustment in the levels of income support;

(2) whether a couple claiming income support (i) with children or (ii) without children will receive less than the rate for a couple over 25 when *(a)* the income support claimant is under 25, *(b)* the claimant's partner is under 25 or *(c)* both are under 25, and whether, where this is the case, the differential will in each instance be the same;

(3) if he will list in order of magnitude all the premium rates to which persons claiming income support may be entitled.

Mr. Newton [*pursuant to his reply*, 13 June 1985, c. *559-60*]: Decisions on the rates of income support will be taken nearer the date of implementation.

Mr. John asked the Secretary of State for Social Services whether the transitional protection to be introduced at the time of change from supplementary benefit to income support will preserve the real value or the cash value of benefit.

Mr. Newton [*pursuant to his reply*, 13 June 1985, c. *560*]: Our aim will be to ensure that no one should experience a reduction in weekly benefit as a result of the change from supplementary benefit to income support.

Mr. John asked the Secretary of State for Social Services whether a disabled person claiming income support who is also a lone parent will receive a premium in respect of each of these conditions.

Mr. Newton [*pursuant to his reply*, 13 June 1985 c. *560*]: An income support claimant with dependent children will be able to receive both the family premium and a client grow premium where eligible. Our general intention is that a claimant with underlying entitlement to more than one client group premium would receive whichever of those premia is the higher.

Mr. John asked the Secretary of State for Social Services (1) whether a premium rate of income support will be paid to those caring for elderly or disabled persons;

(2) whether he proposes to make changes in benefit payable to those caring for elderly and disabled people.

Mr. Newton [*pursuant to his reply*, 13 June 1985, c. *560*]: We have no plans to change the circumstances in which invalid care allowance is payable. We will be giving further consideration to the position of income support claimants who are caring for a severely disabled person.

Mr. Freud asked the Secretary of State for Social Services how the sum in the proposed family credit allowance to cover the cost of school meals will be calculated.

Mr. Newton [*pursuant to his reply*, 13 June 1985, c. *560*]: No decision has yet been taken about the precise calculation of this element in the proposed family credit.

Mr. McCrindle asked the Secretary of State for Social Services if he will amplify the meaning of accrued pension rights under the state earnings related pension scheme as the term is used in the Green Paper of 3 June.

Mr. Newton [*pursuant to his reply*, 13 June 1985, c. *560*]: The Green Paper on Reform of Social Security makes clear the Government's commitment to honour all pension entitlements earned under the state earnings-related scheme. The detailed arrangements for securing this are among the matters for further examination during consultation on the Green Paper proposals.

Mr. John asked the Secretary of State for Social Services whether attendance allowance and mobility allowance will be disregarded in the means test for income support.

Mr. Newton [*pursuant to his reply*, 13 June 1985, c. *560*]: The Green Paper contains no proposals for changes in the present rules on the treatment of attendance allowance and mobility allowance for the purposes of the new income support scheme, but attendance allowance is of course already taken into account in supplementary benefit board and lodging cases.

Mr. John asked the Secretary of State for Social Services (1) whether deductions from benefit made to recover loans made as part of the budgeting element of the social fund will be offset against the cash limit for that fund;

(2) whether each of his local offices will have its own cash limit in respect of the social fund;

(3) whether separate cash limits will be applied to the four elements of the social fund.

Mr. Newton [*pursuant to his reply*, 12 June 1985, c. *487*]: Final decisions about how the budget for the social fund is to be administered will only be taken when the results of the consultation on the Social Security Green Paper are known. The Green Paper sets out the principles that a clear limit to the social fund's role should be defined by means of a fixed annual budget and that judgments about expenditure from the fund are best taken locally. Our provisional view is that the budget should relate to net expenditure in the year.

Mr. John asked the Secretary of State for Social Services whether the lump sum to be paid to widows on bereavement will be disregarded in the means test for help with funeral costs.

Mr. Newton [*pursuant to his reply*, 12 June 1985, c. *487*]: Yes.

Ancillary Services (Bradford)

Mr. Lawler asked the Secretary of State for Social Services if he will provide current figures for the cost of cleaning, catering, laundry and linen services to the National Health Service in the Bradford district health authority.

Mr. Kenneth Clarke: The annual accounts of the Bradford health authority for 1983-84, the latest available, show expenditure on these services as:

	£
Domestic cleaning	2,929,000
Catering	2,592,000
Laundry	432,000
Linen services	700,000

Supplementary Benefit

Mr. Kirkwood asked the Secretary of State for Social Services, in respect of the press release issued by his Department on 4 October 1984 stating that regulations would be laid as soon as possible to amend the supplementary benefit rules to allow payments to strikers for funeral expenses for which they are responsible, *(a)* when he referred proposals for this amendment to the Social Security Advisory Committee, *(b)* whether the Social Security Advisory Committee have responded to him and *(c)* what action he intends to take.

Mr. Whitney: The Social Security Advisory Committee agreed on 15 May 1985, in accordance with section 10(2)*(b)* of the Social Security Act 1980, that the proposal to amend the Supplementary Benefit (Trade Disputes and Recovery from Earnings) Regulations 1980 to allow payments to strikers in respect of funeral expenses for which they are responsible should not be referred to it. Amending regulations are in course of being prepared and will be laid before the House shortly.

North-Western RHA (General Manager)

Mr. Arnold asked the Secretary of State for Social Services whether he has appointed a regional general manager in the North-Western regional health authority.

Mr. Kenneth Clark: North-Western regional health authority appointed Mr. G. J. Greenshields as its regional manager on 9 September 1984.

Statutory Sick Pay Scheme

Mr. Janner asked the Secretary of State for Social Services (1) what has been the number of successful appeals against refusal to pay statutory sick pay in each year from 1983 to 1985, inclusive;

(2) how many appeals against refusal to pay statutory sick pay were received by his Department in each year from 1983 to 1985, inclusive, for the county of Leicestershire and the city of Leicester, respectively.

Mr. Peter Pike asked the Secretary of State for Social Services how many appeals against refusal to pay statutory sick pay were received in his Department for the last 12 months for which figures are available for the county of Lancashire.

Mr. Whitney: I regret information is not yet available. Information about appeals to social security appeals tribunals on statutory sick pay questions was first collected from 1 April 1984. Its production has been delayed by the effects of the dispute at Newcastle computer centre during 1984. I shall write to the hon. Members when the information becomes available, which should be later this summer.

Mr. Janner asked the Secretary of State for Social Services what was the number of offences by employers under the Social Security and Housing Benefits Acts, respectively, with respect to statutory sick pay during the years 1983 to 1985 in Leicestershire.

Mr. Whitney: There were no prosecutions by this Department against employers in Leicestershire during the years 1983 to 1985 for offences connected with statutory sick pay under the Social Security and Housing Benefits Acts.

Mr. Pike asked the Secretary of State for Social Services how many offences were committed by employers under the Social Security and Housing Benefit Act with regard to statutory sick pay for the last 12 months for which figures are available in Lancashire.

Mr. Whitney: There have been no prosecutions by this Department under the Social Security and Housing Benefits Act against employers in Lancashire in the last 12 months for offences connected with statutory sick pay.

Drugs (Adverse Reactions)

Mr. Ashley asked the Secretary of State for Social Services, pursuant to his answer of 24 May, *Official Report*, column *595*, if he will categorise the 29 and 527 adverse reaction reports related to products containing only vitamin B6 pyridoxine, and to combination products containing pyridoxine and other ingredients, respectively, according to the year of the report and the nature of the adverse reaction.

Mr. Kenneth Clarke: The information requested is in the following tables. The Committee on Safety of

Medicines has now received 528 reports relating to combination products containing pyridoxine. The date a report is received does not necessarily indicate the year in which the suspected adverse reaction occurred. It is very important to bear in mind that a report does not necessarily indicate a causal relationship between a product and a reported reaction. It would be particularly unwise to draw any inference about the safety of pyridoxine from the reports on combination products.

Combination products containing pyridoxine—Reports of suspected adverse reactions received by CSM by year and type of reaction

System Organ Class	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Application Site Disorders	—	—	—	—	—	1	—	—	—	—	—	—	—	—	—	—	—	1	—	—	1	—
Arrhythmias	—	—	—	—	—	—	—	—	1	—	—	—	—	1	—	—	—	—	—	—	—	—
Auditory and Vestibular	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1	—	1	—	—	—
Autonomic Nervous System	—	—	—	—	—	—	—	—	3	—	1	2	—	1	2	—	2	—	—	1	—	—
Bleeding and Clotting Disorders	—	—	—	—	—	—	—	—	1	—	—	—	—	—	—	—	1	—	—	—	—	—
Cardiovascular Disorders	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1	—	—	—
Central Nervous System	—	1	—	1	2	—	—	1	2	—	2	—	4	5	1	4	6	3	2	5	1	3
Endocrine Disorders	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1	—	—	—	—	—	—	—
Female Reproductive Disorders	1	—	—	—	—	2	—	—	—	—	—	—	—	—	—	1	—	—	—	1	—	—
Fetal disorders	1	11	5	6	5	12	4	3	10	6	8	4	4	12	13	14	103	19	8	15	5	4
Gastro Intestinal Disorders	—	3	—	1	—	—	2	—	—	—	1	—	—	3	3	1	—	1	1	3	1	—
General Disorders	—	—	—	—	—	—	1	—	1	1	—	2	—	1	2	4	3	4	3	7	8	1
Hepatic Disorders	1	—	—	2	1	1	1	1	1	—	—	—	—	—	2	—	—	—	—	—	—	—
Intra-Cardiac Disorders	—	—	—	1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Male Reproductive Disorders	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1	—	—
Metabolic and Nutritional	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1	—	—	1	—	—	—	—
Muscular Skeletal Disorders	—	—	—	—	—	—	—	—	—	—	—	—	1	—	—	—	—	—	—	—	—	—
Neonatal and Childhood	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1	—	—	—	—	—	—
Neoplasms	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1	—	—	—	—	—
Other Special Senses	—	—	—	—	—	—	—	—	—	—	—	1	—	—	—	—	—	—	—	—	—	—
Peripheral Vascular Disorders	—	—	1	1	—	—	—	—	1	—	—	—	2	—	2	—	2	1	—	—	—	—
Psychiatric Disorders	2	2	—	—	—	1	4	2	—	—	—	—	1	4	4	—	2	2	4	2	1	2
Red Blood Cell Disorders	—	—	—	—	—	—	1	—	—	—	1	—	—	—	—	—	—	—	—	—	1	—
Respiratory Disorders	—	—	—	—	—	—	—	—	—	—	1	—	—	—	—	2	2	—	—	—	2	1
Skin and Appendages	—	2	3	1	1	1	1	—	1	—	2	3	1	4	3	2	3	3	3	2	3	1
Urinary Disorders	—	—	—	—	1	—	—	—	—	—	—	—	—	—	—	—	2	—	—	2	—	—
Visual Disorders	—	—	1	1	—	1	—	—	—	—	—	—	—	—	—	—	2	—	1	1	1	—
White Blood Cell Disorders	—	—	—	1	—	—	—	—	—	—	—	1	—	—	—	—	—	—	—	—	—	—

Products containing pyridoxine only—Reports of suspected adverse reactions received by CSM by year and type of reaction

System Organ Class	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Autonomic Nervous System	—	—	—	—	—	—	—	—	—	—	—	1	—	—	1	—	—	—
Bleeding and Clotting Disorders	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1	—
Central Nervous System	—	—	—	—	—	—	—	—	—	—	1	—	—	1	2	1	2	1
Female Reproductive Disorders	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1	—	—	—
Fetal Disorders	—	—	1	—	—	—	—	—	—	—	—	—	—	—	—	—	1	—
Gastro-Intestinal Disorders	1	—	—	—	—	—	—	—	—	—	—	1	—	—	—	1	—	—
General Disorders	—	—	—	—	—	—	—	—	—	1	—	—	—	—	—	—	—	—
Psychiatric Disorders	—	—	—	—	—	—	—	—	—	—	—	—	—	—	3	1	1	—
Skin and Appendages	—	—	—	—	—	—	—	—	—	—	—	2	—	—	—	1	2	—
Visual Disorders	—	—	—	—	—	—	—	—	—	—	—	—	—	1	—	—	—	—

Pensions (Channel Islands)

Dr. Godman asked the Secretary of State for Social Services for what reason the Channel Islands are not included under section 1 of unemployment benefit leaflet 674 in respect of payment of retirement pensions; and if he will make a statement.

Mr. Whitney: The Channel Islands are not included under section 1 of form Unemployment Benefit Leaflet 674 because they are not part of Great Britain and have their own social security schemes. The form Unemployment Benefit Leaflet 674 makes no reference to retirement pension.

Hospital Waiting Lists

Mr. Mason asked the Secretary of State for Social Services why his Department no longer keeps central records of hospital waiting lists for particular hospitals; and if he will make a statement.

Mr. John Patten: In-patient waiting list statistics for individual hospitals are available centrally. They show the waiting lists for individual specialties but not for particular operations or diagnoses.

Nurses

Mrs. Renée Short asked the Secretary of State for Social Services if he will publish details of the research being undertaken by his Department into the movement of nurses between the public and private sectors.

Mr. Kenneth Clarke: We are funding research into the movement of nursing staff between the National Health Service and the independent sector which is being carried out by Professors Williams and Knowledon of the medical care research unit, Sheffield university. Fieldwork is due to be completed by the end of this year and we expect a report in mid-1986.

NHS (Pay)

Mrs. Renée Short asked the Secretary of State for Social Services what are the latest estimates of the pay and prices factors for 1985-86 for hospital and community health services and family practitioner services current expenditure as a result of the pay settlements for doctors, dentists, nurses, midwives, health visitors and allied professions announced on 6 June 1985, *Official Report*, column 194.

Mr. Kenneth Clarke: We are not distinguishing between separate pay and price factors. There was an

increase of 5½ per cent. in health authorities' cash allocations which was to meet all pay and price increases and service developments. We cannot give a sensible estimate at this stage for inflation in the hospital and community health service because of the outstanding pay settlements for non-Review Body groups; nor can we make a firm estimate for the family practitioner service.

Newcastle Office (Members' Correspondence)

Mr. Gale asked the Secretary of State for Social Services what is the current delay that hon. Members may expect before receipt of replies to inquiries resulting fom the recent prolonged industrial action at the Newcastle offices of his Department.

Mr. Whitney: I am looking into the matter and shall let my hon. Friend have a reply as soon as possible.

Pensions

Mr. John asked the Secretary of State for Social Services if he will provide estimates, at 1984-85 prices, of projected expenditure on the state earnings-related pension scheme in 1995 to 1996, 2005 to 2006, 2023 to 2024 and 2033 to 2034 if the proposals in the Social Security Green Paper are implemented.

Mr. Newton: I shall let the hon. Member have a reply as soon as possible.

Mrs. Beckett asked the Secretary of State for Social Services what are his proposals regarding the preservation of pensions already earned under the state earnings-related pensions scheme regarding *(a)* the uprating formula to be used, *(b)* the accrual rate to be used, *(c)* the retention of the best 20 years formula and *(d)* the arrangements contracted out schemes will be expected to have in order to preserve guaranteed minimum pensions.

Mr. Newton: The Green Paper on Reform of Social Security makes clear the Government's commitment to honour all entitlements earned in the state earnings-related pension scheme. Equally, schemes which have been contracted-out will be required to secure all accrued rights to guaranteed minimum pensions. Detailed arrangements for achieving these objectives are among the matters for consideration during consultations on the Green Paper.

Mrs. Beckett asked the Secretary of State for Social Services what, in the light of the proposals to abolish the state earnings-related pension scheme for all who are more than 15 years from retirement, are his proposals for the percentage rebate on national insurance contributions to be given to occupational pension schemes to cover the cost of their continued contracted-out obligations to older workers; what assessment he has made of the extent to which his proposals will cover the cost of these obligations; and if he will make a statement.

Mr. Newton: Paragraphs 1.62 to 1.64 of chapter 1 in volume 2 of the Green Paper on the Reform of Social Security set out the Government's proposals for the structure of national insurance contributions from 1987-88 onwards. Implications for schemes which continue to provide contracted-out occupational pensions for older workers is one of the issues to be considered during consultations on the Green Paper.

Mrs. Beckett asked the Secretary of State for Social Services what estimate he has made, in the light of his proposals to abolish the state earnings-related pension scheme for all who are more than 15 years from retirement, of the number of occupational schemes which may seek to contract back in before April 1987, and of the amount of money that will thereby be withdrawn from availability for investment in the financial markets by the pension funds concerned; and if he will make a statement.

Mr. Newton: No estimates have been made of the kind requested. Consultations with pensions interests on the Green Paper will enable them to indicate the reactions of contracted-out schemes to the proposals.

Mrs. Beckett asked the Secretary of State for Social Services what is the basis for his statement that it is now expected that there will be three million more pensioners at the end of the century than was predicted in 1975.

Mr. Newton: In my right hon. Friend's statement on 3 June at column 37, on publication of the Green Paper on Reform of Social Security, he said:

"The analysis undertaken during the review has shown that the number of pensioners for whom we will eventually need to provide is 3 million greater than was recognised in 1974 and 4 million higher than it is today." — [*Official Report*, 3 June 1985; Vol. 80, c. 37.]

The population projections made in 1974 only went as far as 2013. The Green Paper gives projections to 2033-34.

Frozen Food

Mr. George Robertson asked the Secretary of State for Social Services how many consignments of quick frozen food for import from, or export to, other European Economic Community countries, respectively, have been rejected on health and food hygiene grounds during each of the past five years.

Mr. John Patten: This information is not held centrally.

Departmental Computers

Mr. Dalyell asked the Secretary of State for Social Services if he is satisfied that the design systems of his Department's computers are properly sychronised with the tasks to be undertaken by his Department in relation to the implementation of the proposals in his Green Paper on social security; and if he will make a statement.

Mr. Newton: Implementation of the proposals in the Green Paper on Reform of Social Security would require some changes to existing computer systems, and appropriate consideration of these is in hand. The need to allow for possible implementation of proposals in the Green Paper is being taken into account in the planning and development of new computer systems.

Specialist Claims Control

Mr. McTaggart asked the Secretary of State for Social Services if he will publish in the *Official Report* his estimate of the saving to his Department's budget as a result of adjustments to claims following checks by specialist claims control officers.

Mr. Whitney: In the year ended 12 March 1985 specialist claims control teams achieved estimated benefit savings of £6.9 million.

Mr. McTaggart asked the Secretary of State for Social Services if he will publish in the *Official Report* the number of individual claimants checked by special claims control teams in Scotland last year.

Mr. Whitney: During 1984 the specialist claims control teams in Scotland examined 2621 claims.

Abortions

Mr. Hargreaves asked the Secretary of State for Social Services what is the total number of abortions performed in England and Wales since 1968, to the latest date available.

Mr. Kenneth Clarke: In the period 1968 to the end of the September quarter 1984, there were 2,251,813 legal abortions carried out in England and Wales. No figures are yet available for the fourth quarter of 1984.

Health Charges

Mr. Craigen asked the Secretary of State for Social Services when he expects to reply to the letter of the hon. Member for Glasgow, Maryhill to the Minister of Health of 19 March, about the number of people entitled to exemption from prescription charges and remission of dental and optical charges on grounds of low income; and if he will publish his reply in the *Official Report*.

Mr. John Patten: I have written to the hon. Member today. The text is as follows.

Thank you for your letter of 19 March about Kenneth Clarke's Answer of 14 March to your Question about the numbers eligible for remission of NHS charges. I am sorry you have had to wait so long for a reply but we have been making enquiries to find out if we could provide any meaningful additional information. I am afraid, however, that we have had to conclude that we can be of little further help.

Let me explain. It would be wrong to think that the Family Expenditure Survey (FES) data can be used to estimate the number of people eligible for low income exemption or full remission of NHS charges. At best, the FES can be used to derive an imprecise estimate of the numbers with sufficiently low incomes to qualify. However eligibility depends also on the person having a need for the prescription, glasses etc. and any FES estimate will include an unknown proportion who have no such need. For that same reason, any FES estimate cannot be combined with data about the number of exemptions and remissions actually claimed to derive a take-up figure.

Moreover, information about dental and optical charges would be incomplete without an estimate of the significant number who qualify for partial remission. This cannot be done from FES as entitlement depends not just on the patient's income and need for the service but also on the level of charge applicable for the particular type of treatment or appliance required by the patient.

In view of the inadequacies of FES estimates, we thought it would be unhelpful to give an answer to your Question on that basis but instead we provided you with the best factual information available to us.

However, since you referred specifically in your letter to FES estimate of exemption from prescription charges provided earlier by Tony Newton, we have calculated that in 1981 there were 3·9 million people in Great Britain whose low incomes would have exempted them from prescription charges. The figure for 1983 is not yet available. Information about the number of people who held current low income exemption certificates in 1981 and 1983 is also not available. The best information we have on that subject is that some 55,000 and 86,000 low income exemption certificates were issued in the first and last quarters respectively of 1983.

It would take considerably longer to estimate from FES the full remission figures for dental and optical charges. In view of the qualifications which would relate to those figures and the additional factor of partial remissions I do not feel it would be a productive use of staff time to calculate them.

I am sorry I cannot be more helpful.

John Patten

Disability Benefits

Mrs. Beckett asked the Secretary of State for Social Services what are the Government's intentions with regard to earnings-related disability benefits; and if he will make a statement.

Mr. Newton: As stated in paragraph 1.42 of volume 2 of the Green Paper on the Reform of Social Security, we will be considering further the implications of the new arrangements for invalidity benefits in the light of consultation on the Green Paper proposals.

Consultants (Private Work)

Mr. Hickmet asked the Secretary of State for Social Services (1) what representations he has received regarding the alleged incidence of consultants artificially prolonging National Health Service waiting lists for hip replacement or other operations so as to encourage patients to have the operation performed privately; what action he proposes to take in response; and if he will make a statement;

(2) if he is satisfied with the adequacy of the systems and controls installed in National Health Services hospitals for the identification of private patients; whether he proposes to make any changes to those systems and controls; and if he will make a statement;

(3) if he will make a statement about the audits carried out by his Department into the provision of private health care by consultants within the National Health Service, stating how many were carried out, what their conclusions and recommendations were and what action he proposes to take as a result;

(4) what is his policy towards the treatment of private patients by consultants within National Health Service hospitals.

Mr. Kenneth Clarke: Our policy is that National Health Service facilities should be available for the treatment of private patients by consultants, but private practice in the National Health Service should not prejudice the interests of National Health Service patients. The statutory requirements must be observed and private practice in the National Health Service must be conducted according to the rules. We are determined to stamp out abuse, and to ensure that arrangements for collecting income due to the National Health Service are operating effectively.

A special audit investigation in 37 health authorities last year showed that some health authorities had failed to maintain proper control. Every case of alleged irregularity that was discovered is being pursued and we shall follow up all defects reported to ensure that the health authorities concerned have rectified the inadequacies identified.

I wrote to all health authorities last December instructing them to review their systems and procedures. Regions have confirmed that so far 106 districts have completed and implemented reviews. All the remainder will have done so by September. We recognise that existing advice needs to be brought together and clarified in some respects. We will therefore be issuing revised and consolidated guidance on the management of private

practice in National Health Service hospitals, and ensuring that this guidance is brought to the attention of all relevant National Health Service staff.

It is quite unacceptable for any consultants to extend waiting lists artificially so as to encourage patients to have operations performed privately. We have no evidence to suggest that the practice is widespread but would expect health authorities to investigate thoroughly any allegations they receive and to take disciplinary measures where necessary. If the waiting list in any locality for a particular operation is long we would expect the health authority concerned to investigate the causes and to find whether adequate priority is being given to that operation in NHS theatre time.

Consultants (Contracts)

Mr. Hickmet asked the Secretary of State for Social Services what assessment he has made of the implications for the efficiency, the provision of services and financial control by district health authorities of the contractual relationship between consultants and regional health authorities; and if he will make a statement.

Mr. Kenneth Clarke: The decision to retain the contracts of National Health Service consultants (other than those in teaching districts) at regional level was made at the time of the 1982 reorganisation. The reasons for the policy were explained in the debate on 11 November 1981 at columns *634-8*. We have no plans to alter these arrangements at present. We do expect regional authorities to protect the interests of districts and patient services in their handling of consultant contracts.

Mr. Hickmet asked the Secretary of State for Social Services if he will make a statement about the terms of consultants' contracts within the National Health Service hospitals; if he is satisfied with the working of those contracts; and if he has had any recent discussions with consultants' representatives about their contracts or about the provision of private health care within National Health Service hospitals by consultants.

Mr. Kenneth Clarke: We have no plans to revise the basis of the consultants' contract. We are in regular contact with representatives of the medical profession on the detailed terms and conditions of service of all grades of medical staff. We intend to issue revised guidance on private health care in National Health Service hospitals shortly and we are having discussions with the profession on the subject.

Orthopaedic Treatment

Mr. Hickmet asked the Secretary of State for Social Services how many orthopaedic operations were performed by each district health authority within the Yorkshire regional health authority and what was the waiting list for orthopaedic treatment in each district health authority in the last year for which figures are available; and if he will make a statement.

Mr. John Patten: Information on in-patient waiting lists is available centrally by the specialty of the consultant but not by operation. The numbers of in-patient cases treated in the specialty of trauma and orthopaedics and the numbers awaiting admission to this specialty are given in the table. Numbers of operations are not readily available but nationally some 60 per cent. of cases in this specialty receive operations. Over half of the admissions to this specialty in the region are immediate and many of those on waiting lists already have a planned date of admission.

NHS hospitals, Yorkshire Regional Health Authority, Specialty of Trauma and orthopaedics

District health authority	*Number of in-patient cases treated in 1983*	*Number of persons on in-patient waiting list on 30 September 1984*
Hull	2,584	648
East Yorkshire	1,965	374
Grimsby	1,330	238
Scunthorpe	1,865	699
Northallerton	1,013	175
York	3,743	441
Scarborough	2,232	422
Harrogate	2,677	149
Bradford	5,898	721
Airedale	2,624	912
Calderdale	2,602	106
Huddersfield	2,415	386
Dewsbury	2,068	198
Leeds Western	2,342	436
Leeds Eastern	4,171	713
Wakefield	2,553	281
Pontefract	2,293	384
Total	44,375	7,283

Mr. Hickmet asked the Secretary of State for Social Services if he will make a statement on the incidence of hip replacement operations carried out within National Health Service hospitals both privately and on the National Health Service over each of the last three years.

Mr. Kenneth Clarke: We do not have information centrally in precisely the form requested. I shall let my hon. Friend have the available information as soon as possible.

Dental Hospitals

Lord James Douglas-Hamilton asked the Secretary of State for Social Services if there are any plans to redevelop any dental hospitals in England and Wales; and if he will give the estimated cost in each case involved.

Mr. John Patten: A redevelopment of the Eastman dental hospital, London, is nearing completion at a cost of £3·5 million. A substantial refurbishment and re-equipping of the University of Wales dental hospital, Cardiff, has recently been completed at a cost of £1 million. We are not aware of any further planned redevelopments at present.

Efficiency Savings

Mr. Corbyn asked the Secretary of State for Social Services if he will list the efficiency savings achieved over the last 12 months by district health authorities which are known to his Department.

Mr. Kenneth Clarke: We ask regional health authorities to include in their short-term programmes plans for cost improvement in the form of summaries of district proposals—we do not require them to submit detailed information on individual district proposals. For 1984-85 regions' proposed cost improvements totalled around £100 million. They will be reporting to us by the end of June on whether their proposals have been achieved.

Nye Bevan Lodge House

Mr. Soames asked the Secretary of State for Social Services if he will order an inquiry into the running of the Nye Bevan lodge house in Southwark.

Mr. John Patten [*pursuant to his reply*, 16 May 1985, c. 222]: We are concerned about Nye Bevan lodge and certain other residential homes run by Southwark and I have written to the chairman of the borough's social services committee suggesting that the Department's social services inspectorate carry out a short programme of inspections of its residential homes. The purpose of this programme would be to re-establish confidence in the council's administration of these homes. This would be in addition to the inquiries which the council is itself conducting.

Written Answers to Questions

Tuesday 18 June 1985

OVERSEAS DEVELOPMENT

Costa Rica and Nicaragua

Mr. Deakins asked the Secretary of State for Foreign and Commonwealth Affairs what criteria are used to determine the current level of aid to *(a)* Costa Rica and *(b)* Nicaragua; and what is Her Majesty's Government's policy towards the proposal from the European Economic Community for an increase in aid to Nicaragua.

Mr. Renton: A number of factors are taken into account, including available resources, relative wealth and aid from other donors. In the case of Costa Rica a large part of our bilateral aid is used to support the Central American school of husbandry, a regional institution. There is no European Community proposal for an increase in aid to Nicaragua. We support an increase in Community aid to Central America as a whole. Detailed proposals are now being considered.

ATTORNEY-GENERAL

Trial Delays

Sir John Biggs-Davison asked the Attorney-General what is the average time defendants committed for trial in the Northern Ireland courts wait before their case is heard; and what is the corresponding figure for each year to date since and including 1969.

The Attorney-General: Statistics in the form requested by my hon. Friend have only been collected since 1979 when my right hon. and learned Friend the Lord Chancellor became responsible for the administration of the courts in Northern Ireland.

The average time between committal for trial in the Northern Ireland courts and arraignment is currently 11 weeks. The corresponding figures for each year since 1979 are as follows:

	Weeks
1979	13
1980	8
1981	8
1982	9
1983	11
1984	11

The interval between arraignment and the commencement of the trial proper varies from one week to, in exceptional cases, over two years depending on the complexity of the case and the availability of counsel of the defendant's choice.

Cartmel and Furness Local Plan

Mr. Franks asked the Attorney-General if, pursuant to the answer of 4 June, *Official Report*, column *113*, he was consulted by the Director of Public Prosecutions before the Director reached his decision not to prosecute in connection with allegations of attempted bribery and corruption in connection with the Cartmel and Furness local plan; and if he will make a statement.

The Attorney-General: I was not consulted by the Director of Public Prosecutions.

AGRICULTURE, FISHERIES AND FOOD

Nuclear Installations (North-West)

Mr. Ashdown asked the Minister of Agriculture, Fisheries and Food if he will list and decribe the steps taken by his Department pursuant to recommendation 10 of the report of the advisory group chaired by Sir Douglas Black on the incidence of cancers in the vicinity of nuclear installations in the north-west of England.

Mr. MacGregor: My right hon. Friend's responsibility for authorising the disposal of radioactive waste is shared with my right hon. Friend the Secretary of State for the Environment, and I have nothing to add to the reply he gave to the hon. Member yesterday.

Pesticides

Mr. Ashdown asked the Minister of Agriculture, Fisheries and Food if he will take steps to ensure that the advisory committee on pesticides is wholly independent in its membership from the agrochemical industry.

Mrs. Fenner: Great care is already taken to ensure that the chairman and members of the advisory committee on pesticides, and its scientific sub-committee, are independent of all sectional interests, including the agrochemical industry.

Mr. Ashdown asked the Minister of Agriculture, Fisheries and Food (1) if he will describe the content and occasions of a declaration of interest being required of a member of the advisory committee on pesticides; and if he will publish the declarations of interest made by the present members;

(2) whether the declarations of interest required of a member of the advisory committee on pesticides cover research work commissioned or funded by agrochemical companies or trade associations at laboratories under the control or direction of the member; and if he will make a statement.

Mrs. Fenner: On appointment to the advisory committee on pesticides members are required to read and sign the following declaration:

"I have no commercial interest which might make it undesirable for me to receive confidential trade information included in Advisory Committee papers. I also undertake to inform the Department of Education and Science should I acquire such an interest in the future.

I will not divulge the commercial proposals of the firms and confidential experimental data contained in such papers to those outside the Advisory Committee on Pesticides and its Subcommittees."

It is intended that when the committee becomes a statutory body members will continue to be asked to sign a declaration of independence from commercial pesticide interests. We are reviewing the text of the declaration with our legal advisers.

Mr. Ashdown asked the Minister of Agriculture, Fisheries and Food if he is satisfied that, throughout their

service, present and past members of the advisory committee on pesticides, having a connection with an agrochemical company or trade association have maintained a level of objectivity consistent with their status as committee members; and if he will make a statement.

Mrs. Fenner: I am not aware that any past or present members of the advisory committee have, while serving the committee, been connected with an agrochemical company or trade association.

Mr. Ashdown asked the Minister of Agriculture, Fisheries and Food if he is satisfied with the range of expertise of the membership of the advisory committee on pesticides; and if he will make a statement.

Mrs. Fenner: I am satisfied that the range of expertise of the current advisory committee on pesticides is appropriate for the duties presently laid upon it. In view of the proposals to extend the existing safety screening system to include efficacy and humaneness, we are reviewing the composition of the committee to see if additional experts will be required for the future.

Cereals

Mr. Body asked the Minister of Agriculture, Fisheries and Food whether he will give a list of the privately owned stores in Lincolnshire where the intervention board has arranged to hold wheat at any time in the last 12 months for more than seven days.

Mr. MacGregor: During the last 12 months stocks of intervention wheat have been held in the following commercial stores in Lincolnshire:

Ancaster
Boston
Colsterworth
Gainsborough (2)
Grantham
Heighington
Horncastle
Ingham
Lincoln (2)
Navenby
Skegness
Sleaford
Swinderby

Mr. Body asked the Minister of Agriculture, Fisheries and Food how many tonnes of wheat are held by the intervention board at the last convenient date.

Mr. MacGregor: On 31 May there were 3·2 million tonnes of wheat in intervention stores in the United Kingdom.

Mr. Body asked the Minister of Agriculture, Fisheries and Food what has been the maximum number of tonnes of *(a)* wheat, *(b)* barley and *(c)* other cereals held by the intervention board in privately owned stores.

Mr. MacGregor: Maximum intervention stocks of wheat, barley and rye, respectively, held in commercial stores in the United Kingdom, have been 2·9 million tonnes (May 1985), 900,000 tonnes (January 1983) and 300 tonnes (February 1981).

Veterinary Advisory and Research Facilities

Mr. Hicks asked the Minister of Agriculture, Fisheries and Food if he will make a statement about the future provision of his Department's veterinary advisory and research facilities in Devon and Cornwall, with specific reference to any changes in their functions, responsibilities and location.

Mr. Jopling: As I said in reply to my hon. Friend the Member for Tiverton (Mr. Maxwell-Hyslop) on 15 April 1985, I have accepted the main thrust of the recommendations of the recent efficiency study of the veterinary investigation service which bear on the functions and responsibilities of this service. As regards location, the recommendation that the veterinary investigation centres at Starcross and Truro should be replaced by a new centre at Launceston is the subject of one of a number of cost appraisals now being carried out. When I have the results of these appraisals and I have completed consideration of the views of the outside interests which have been submitted, I will make a further announcement.

Laboratories (Research Budgets)

Mr. Warren asked the Minister of Agriculture, Fisheries and Food which laboratories within his Department, or within bodies for which he is responsible, have had their research budgets reduced in the current financial year; what is the financial value of the reduction; what is this figure expressed as a percentage of the total work carried out in the laboratory; and which of the laboratories for which he is responsible are being considered for privatisation.

Mr. Jopling: I shall reply to my hon. Friend as soon as possible.

HOUSE OF COMMONS

Parliamentary Questions (Rota)

Mr. Peter Bruinvels asked the Lord Privy Seal if he will seek to amend the rota for oral questions in such a way that questions to the right hon. Member answering for the Church Commissioners and questions to the Paymaster General share a block of 10 minutes every three weeks, with each alternating in priority over the other.

Mr. Biffen: At this stage in the Session such alterations as my hon. Friend suggests are best left until the summer recess, when the current Session's arrangements will in any event be assessed with a view to preparing next year's questions roster. I shall, however, give due consideration to my hon. Friend's suggestions.

WALES

Bi-lingual Nursery Education

Mr. Geraint Howells asked the Secretary of State for Wales how many children under the age of five years in Wales receive bi-lingual nursery education; and if he will make a statement.

Mr. John Stradling Thomas: The information is not collected centrally.

Chief Nursing Officers

Mr. Pavitt asked the Secretary of State for Wales how many chief nursing officer posts in health authorities in Wales have been abolished; if he will list them in the *Official Report;* and if he will make a statement.

Mr. Wyn Roberts: None, though the roles of chief administrative nursing officers in Wales, in common with those of other chief officers, will not necessarily remain unchanged following the introduction of the general management function.

"All Wales Strategy for Elderly People"

Mr. Barry Jones asked the Secretary of State for Wales when his Department will publish the report of the "All Wales Strategy for Elderly People".

Mr. Wyn Roberts: We hope to publish a consultation paper on the care of the elderly in Wales later this summer.

Dysentery

Mr. Barry Jones asked the Secretary of State for Wales how many people in Wales suffered from dysentery in each of the years from 1979 to 1984, inclusive; what is the latest figure for 1985; and if he will make a statement.

Mr. Wyn Roberts: The number of cases of dysentery formally notified in Wales in each year since 1979 is as follows. The number of original notifications received in 1985 up to and including the week ending 7 June was 275. These notifications may be subject to correction.

Cases of dysentery formally notified in Wales

Year	*Number*
1979	41
1980	42
1981	46
1982	48
1983	58
1984	134

Pre-school Education

Mr. Barry Jones asked the Secretary of State for Wales what percentage of the relevant age groups of Welsh children currently receive pre-school education in each Welsh county; and what was the percentage for 1979, 1980 and 1984, respectively.

Mr. John Stradling Thomas: The numbers of full-time and part-time pupils aged under five years of age at maintained nursery and primary schools, expressed as a percentage of the total three and four-year-olds age group, are as follows. Figures for 1984 are the latest available.

Per cent.

	1979	*1980*	*1984*
Clwyd	57	59	72
Dyfed	61	62	64
Gwent	61	63	67
Gwynedd	58	60	64
Mid Glamorgan	72	73	75
Powys	53	59	61
South Glamorgan	55	53	54
West Glamorgan	85	88	88

Jobs and Factory Closures

Mr. Barry Jones asked the Secretary of State for Wales how many *(a)* job losses, *(b)* job gains and *(c)* factory closures there have been in Wales in the first five months of 1985; and how many there were in each case for the first five months of 1984.

Mr. Nicholas Edwards: Information is not available in the form requested.

TRADE AND INDUSTRY

Systime plc (Exports)

Mr. Ashdown asked the Secretary of State for Trade and Industry whether he intends to take any action in relation to the attempt to place exports from the United Kingdom by Systime plc under the control of a foreign power; and if he will make a statement.

Mr. Channon: The export of goods from the United Kingdom by any company is subject to control by my right hon. Friend the Secretary of State for Trade and Industry under United Kingdom law as set out in the Export of Goods (Control) Order 1981, as amended.

Aid and Trade

Mr. Richard Page asked the Secretary of State for Trade and Industry if he will list the projects that the United Kingdom companies have undertaken with support from the aid and trade provisions since 1979.

Mr. Channon: The projects that United Kingdom companies have undertaken with support from the aid and trade provision since 1979 are as follows:

Country	*Project*
Bangladesh	Combined Cycle Plant
Belize	Telecoms
Bolivia	Mineral Concentrators
Botswana	Morupule Power Station Turbines
Botswana	Morupule Coal, Ash Handling Plant
Brazil	Coal Mining Training
Brazil	Seinne Net Winch
Brazil	Jacui Power Station
Burma	Jute Mill Expansion
Burma	Pharmaceutical Plant
Burma	Marine Diesel Engines
Burma	Jute Carpet Backing
Burma	Bridge
Burma	Gas Turbines
Burma	Outboard Propulson Units
Caribbean	HS 748 Aircraft
Colombia	Bridges
Colombia	Mine Safety Training
Colombia	Ch Bridges Extension
Cyprus	Dhekelia B Power Station
Ecowas	Viability Consultancy
Egypt	Electricity Generation
Egypt	Draglines/Irrigation
Egypt	Switchgear
Egypt	W Sebaeya Fertilizer Plant
Egypt	Maghara Coal Mine
Egypt	El Omoun Drain
Egypt	Draglines
Honduras	Aguan Valley Study
India	Super Thermal Power Plant
India	Amlori Coal Mine

Country	Project
India	Balco Power Station
Indonesia	Mrica Hydro Plant
Indonesia	Ombelin Coal Mine
Indonesia	Jabotabek Feasibility Study
Indonesia	AIS Submarine Cable
Indonesia	Isolated Diesels
Jordon	H V Transmission Line
Jordon	Potash Project
Kenya	Soda Ash Wagons
Kenya	Telecoms
Kenya	Tugs Mombasa Port
Kenya	Railway Coaches
Madagascar	Maintenance for HS 748 Aircraft
Malawi	Telecoms
Malaysia	Airport Study
Malaysia	Iocom Submarine Cable
Malaysia	Viewdata
Malaysia	Sungei Ahning Dam
Mexico	Maritime Training
Mexico	Sicartsa
Mexico	Scientific Instruments Training
Mexico	Further Maritime Training
Morocco	Nador Roll Mill
Mozambique	Mineral Inventory
Mozambique	Bus Maintenance
Pakistan	3 SD 18 Shops
Paraguay	Power Transmission scheme
Paraguay	Power Transmission System Extension
Paraguay	Asuncion Sewerage Consultancy
Peru	Mini Hydro
Philippines	Mini Hydro Survey
Philippines	Rural Electrification
Philippines	Wood Burning Power Stations
Philippines	Dendro Thermal Adviser
Senegal	HS 748 Aircraft
Sri Lanka	Locomotives
Sri Lanka	Colombo Airport
Syria	Telecoms Training
Tanzania	Bus Chassis
Thailand	Mini Hydros: Pilot Plants
Thailand	Railbus Evaluation Consultancy
Thailand	Post Harvest Technology Consultancy
Vietnam	Haip on Power Station
Vietnam	SD 14 ships
Zimbabwe	Hwange Power Station
Zimbabwe	Abattoir Feasibility Study
Zimbabwe	Railway Electrification
In addition the following projects have also been supported with the aid and trade provision since the scheme's inception.	
Guinea Bissau	HS 748 Aircraft
Tanzania	Compression Connectors
Tanzania	Railway Equipment
Tanzania/ Zambia	Railway Bogies for Tazara
Zambia	50 buses

Trade Statistics

Mr. Austin Mitchell asked the Secretary of State for Trade and Industry whether he will publish in the *Official Report* a table showing the adjustments made for tariffs in arriving at the figures in column 2 of table S-3 of the annual supplement number 6 to the monthly review on external trade statistics.

Mr. Channon: The adjustment factors (multiplicative) are:

	Adjustment factors (multiplicative)
1970	0·996
1971	0·999
1972	0·998
1973	1·002
1974	0·989
1975	0·993
1976	0·998
1977	0·999
1978	0·999
1979	0·998
1980	1·000
1981	0·999
1982	0·999
1983	1·000

Note: The factors are related to the current base year (1980); those prior to 1978 have been rescaled from 1975 = 100.

Japan

Mr. Greg Knight asked the Secretary of State for Trade and Industry what representations have been made on behalf of Her Majesty's Government to Japan within the last 12 months on the subject of non-tariff trade barriers, including its continued requirement involving the LD50 test on certain goods ; and if he will make a statement.

Mr. Channon: The Government welcome and encourage the replacement of LD50 tests by other forms of acute toxicity test wherever possible. Over the last year, Ministers have on several occasions made clear their wish to see the early removal of Japanese non-tariff trade barriers.

Viscose (Imports from India)

Mr. Hoyle asked the Secretary of State for Trade and Industry if, in the light of the proposed closure of the viscose plant of Courtaulds plc. at Greenfields, he will make representations to the EEC Commission for the urgent introduction of tariffs and for quotas on imports of viscose from India.

Mr. Channon: No. There were no imports from India last year of viscose staple fibre and tow (the product produced at the Courtaulds viscose plant at Greenfield).

Tourism

Mr. Peter Bruinvels asked the Secretary of State for Trade and Industry how many tourists visited Britain *(a)* in each year since 1981 and *(b)* in 1985 to date.

Mr. Norman Lamont: This information was published in the article on pages 450 and 451 of *British Business*, 7 June 1985.

Mr. Peter Bruinvels asked the Secretary of State for Trade and Industry if he will estimate the financial contribution to the economy of the tourist industry in each of the past three years; and if he will make a statement.

Mr. Norman Lamont: The tourist industry had a turnover of over £10 billion in 1984, making it one of the United Kingdom's most important industries. It is estimated that in 1983 around 1 million jobs were

supported, directly and indirectly, by expenditure on tourism. Estimates of expenditure by overseas residents while in the United Kingdom, and expenditure on domestic tourism in Great Britain are as follows:

	*Expenditure by overseas residents in United Kingdom £ millions	†Expenditure on domestic tourism in Great Britain £ millions	Total £ millions
1982	*3,168*	*4,500*	*7,668*
1983	*3,651*	*5,350*	*9,001*
1984	*4,169*	*5,980*	*10,149*

Notes:

* International Passenger Survey: Balance of Payments Travel Account figures. They exclude fares paid to British carriers for travel to and from the United Kingdom but include expenditure by overseas residents on day trips to the United Kingdom, other than those made across the Northern Ireland land border.

† British Home Tourism Survey, commissioned by the English Tourist Board on behalf of the British Tourist Authority and national tourist boards. The survey is designed to cover all trips away from home lasting one night or more by British people for all purposes except boarding and semi-permanent education. The figures do not, therefore, cover expenditure on day-trips.

British Steel Corporation

Mr. Duffy asked the Secretary of State for Trade and Industry when he expects to receive the British Steel Corporation's corporate plan; and when it will be published.

Mr. Norman Lamont: Now that the effects of the miners strike can be assessed, BSC has resumed its normal corporate planning processes, and it will submit a plan to the Government as soon as it has completed it. I have no plans to publish it.

Laboratories (Research Budgets)

Mr. Warren asked the Secretary of State for Trade and Industry which laboratories within his Department have had their research budgets reduced in the current financial year; what is the financial value of the reduction; what is this figure expressed as a percentage of the total work carried out in the laboratory; and which of his laboratories are being considered for privatisation.

Mr. Butcher: None of my Department's laboratories have had their research budgets reduced in this financial year and none are currently being considered for privatisation.

EDUCATION AND SCIENCE

Books and Periodicals

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what information he has as to the average expenditure on books and periodicals per student in university libraries and the comparable figures for each year since 1978-79 in *(a)* cash terms, *(b)* real terms using 1984-85 prices, *(c)* using an index of 100 for 1978-79 and *(d)* in real terms taking into account the retail prices index for books.

Mr. Brooke: The average expenditure on books and periodicals per student in university libraries is as follows:

Academic year	*Cash per student* £	*Real terms** £	*Index of col. 2*	*Using RPI† January 1985 prices* £
1978-79	55·40	96·3	100·0	123·1
1979-80	58·65	85·4	88·7	113·2
1980-81	64·55	81·0	84·1	99·6
1981-82	66·85	77·3	80·3	88·9
1982-83	76·34	83·2	86·4	90·0
1983-84‡	86·48	90·5	94·0	95·8

* Using GDP deflator with the 1984-85 academic year as the base year.

† Using RPI for books, newspapers and periodicals: cash figures from column 1 revalued to January 1985 prices.

‡ provisional

Nursery Education

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what is the age participation rate in education for the under-fives expressed as a percentage of the two, three and four-year-old age group.

Mr. Dunn: The percentages of children aged two, three and four years in England in January 1984 attending maintained nursery and primary schools were 4 per cent., 30 per cent. and 73 per cent. respectively.

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science why the number of nursery schools has been reduced between 1980 and 1984.

Mr. Dunn: Local education authorities have discretion as to the form and extent of provision they make for under fives. The 5 per cent. reduction in the number of nursery schools between 1980 and 1984 has been more than offset by a 17 per cent. increase in the number of primary schools with nursery classes and overall numbers of pupils attending nursery schools or classes either full or part time, have increased by 20 per cent. Among the possible reasons for this, nursery classes are often considered to offer more effective links with continuing primary education and are less expensive to establish and maintain than separate nursery schools; falling rolls have offered opportunities for economical adaptation of surplus primary accommodation appropriately for this purpose; and distribution of nursery education in classes at a number of primary schools will often make it more readily accessible than if the same number of places were concentrated in a single nursery school.

School Books and Equipment

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what is the present per pupil expenditure on books and on equipment in *(a)* primary schools, *(b)* special schools and *(c)* secondary schools; and what are the comparable figures for each of the last five years, in cash terms and real terms using 1984-85 prices and using an index of 100 for 1979-80.

Mr. Dunn: The average expenditure per pupil by local education authorities in England, in cash and in 1984-85 real terms, on books and equipment in each of the five years to 1983-84, the latest year for which actual figures are available, is set out in the table.

Per Pupil Expenditure—England

	Primary				Secondary				Special			
	Cash Terms £	Index	Real Terms £	Index	Cash Terms £	Index	Real Terms £	Index	Cash Terms £	Index	Real Terms £	Index
					Books							
1979-80	4·6	100	7·0	100	7·7	100	11·7	100	6·8	100	10·4	100
1980-81	5·3	115	6·8	97	8·1	105	10·4	89	7·0	103	9·0	87
1981-82	5·9	128	6·9	99	8·6	112	10·0	85	7·1	104	8·3	80
1982-83	7·0	152	7·6	109	9·9	129	10·8	92	8·6	126	9·4	90
1983-84	7·1	154	7·4	106	10·1	131	10·6	91	8·7	128	9·1	88
					Equipment							
1979-80	9·7	100	14·8	100	18·8	100	28·7	100	35·2	100	53·7	100
1980-81	10·7	110	13·7	93	21·1	112	27·1	94	39·9	113	51·3	96
1981-82	12·2	126	14·3	97	23·6	126	27·6	96	44·0	125	51·4	96
1982-83	13·9	143	15·2	103	26·7	142	29·2	102	52·4	149	57·3	107
1983-84	15·7	162	16·4	111	29·1	155	30·4	106	59·6	169	62·3	116

The expenditure in 1984-85 real terms has been calculated using the gross domestic product (market prices) deflator.

Professional Association of Teachers

Mr. Cartwright asked the Secretary of State for Education and Science how he proposes to ensure that members of the Professional Association of Teachers are to be involved in consultation on superannuation issues.

Mr. Dunn: My right hon. Friend is required to consult representatives of local education authorities and of teachers and of such other persons as appear to him to be appropriate before making regulations under the Superannuation Act 1972. Because the teachers superannuation working party does not include all relevant interests, my right hon. Friend does not regard its deliberations as fulfilling his duty and accordingly he consults separately with the Professional Association of Teachers and certain other bodies not represented on the working about proposed new and amending regulations.

Medical Research Council

Mr. Dalyell asked the Secretary of State for Education and Science if he will make a statement on the level of financing of the Medical Research Council.

Mr. Brooke: The information which follows supplements my answer of 14 February to the hon. Member's earlier question on this subject, at column 221.

The level of financing of the Medical Research Council for the years 1981-82 to 1987-88 is set out in the table which shows (i) the Medical Research Council's grant-in-aid for the years 1981-82 to 1985-86 and the amounts provisionaly recommended by the Advisory Board for the Research Councils for 1986-87 and 1987-88, in cash terms; and (ii) the Medical Research Council's grant-in-aid expressed as a percentage of the science budget.

	MRC's grant in aid	*Science budget*	
	Cash terms £ million	*Cash terms £ million*	*MRC Per cent.*
1981-82	101·7	451	22
1982-83	107·5	482	22
1983-84	113·7	516	22
1984-85	117·2	550	21
1985-86 (estimated)	122·3	584	21
1986-87 (provisional)*	125·0	599	21
1987-88 (provisional)*	128·3	613	21

*Subject to revised advice by the ABRC later in 1985 (for 1986-87) and in 1986 (for 1987-88).

Research

Mr. Warren asked the Secretary of State for Education and Science which laboratories within his Department, or within bodies for which he is responsible, have had their research budgets reduced in the current financial year; what is the financial value of the reduction; what is this figure expressed as a percentage of the total work carried out in the laboratory; and which of the laboratories for which he is responsible are being considered for privatisation.

Mr. Brooke: Although the Department does not directly support any laboratories, my right hon. Friend is responsible for allocating grant-in-aid to the five research councils. Within the sums available to them, it is for the councils to decide on the level of funding for their laboratories, institutes and units, taking into account their overall scientific priorities.

I understand that in cash terms the allocations for 1985-86 (including capital as well as recurrent in some cases) fall short of the outturn figures for 1984-85 as shown in the table:

Research council	*Total institutes, units, and laboratories*	*Number where there is a cash shortfall*
AFRC	28	8
MRC	58	None
NERC	13	3
SERC	4	3

There is no meaningful way of comparing the cash amounts as between one year and another, or of expressing the reductions as percentages of the work carried out. This is because the figures conceal, variously, the effects of major capital programmes nearing completion, variations in income for commissioned research, and fluctuating foreign currency exchange rates.

I am not aware that the councils have any specific plans for privatising any of their laboratories.

Mr. Warren asked the Secretary of State for Education and Science if he will detail the number, percentage and value of alpha grants rejected by each research council responsible to his Department, listing the data for each council separately for the financial year 1984-85.

Mr. Brooke: The information for the Agricultural and Food Research Council, the Natural Environment Research Council and the Science and Engineering Research Council is listed for the financial year 1984-85:

	Research Council		
	AFRC	*NERC*	*SERC*
Number of alpha-rated grants rejected	93	115	517
Number rejected as percentage of all alpha-rated grant applications	47	47	24
Value of unfunded alpha-rated grants	*	*	*

*Not available, because not all the successful alpha-rated grant applications were funded to the extent requested by the applicant.

The Economic and Social Research Council no longer categorises research grant applications into alpha and other categories.

The Medical Research Council gears its award years to academic years, and hence its figures for 1984-85 will not be available until August. In the academic year 1983-84, the MRC rejected 199 (29 per cent.) alpha-rated applications.

Mr. Madel asked the Secretary of State for Education and Science what allocations have been made under the selective scheme he announced on 12 November 1984 to improve laboratory and equipment provision in university centres of research.

Sir Keith Joseph: I understand that the University Grants Committee, after taking account of advice from a selection committee chaired by the president of the Royal Society, has decided to allocate the £4 million of additional equipment grant available for the financial year 1985-86 to the following research groups:

	£
Professor E. Ash, Electronic and Electrical Engineering, University College, London	439,000
Professor A. R. Battersby, Organic Chemistry, Cambridge	472,000
Professor T. L. Blundell, Protein Engineering, Birkbeck College	545,000
Professor W. J. Brammar, Biochemistry, Leicester	366,000
Professor A. Broers, Engineering, Cambridge	463,000
Professor R. J. Donovan, Physical Chemistry, Edinburgh	326,000
Professor A. R. Fersht, Chemistry, Imperial College, London	440,000
Sir Peter Hirsch, Metallurgy, Oxford	451,000
Professor R. Parsons, Electrochemistry, Southampton	403,000

In addition, an interim grant of £95,000 will be made jointly to Professors M. D. Lilly and P. Dunnill, chemical and biochemical engineering, University College, London.

Financial Management Initiative

Mr. Madel asked the Secretary of State for Education and Science if he will place in the Library a report on his Department's response to the financial management initiative; and if he will make a statement.

Sir Keith Joseph: I have today placed in the Libraries of both Houses copies of a report "The Financial Management Initiative: Response of the Department of Education and Science". This report outlines the Department's objectives, its top management system and arrangements for policy review and development, its financial management information system and related cost centres, the measures being taken to improve value for money within the education service, the development of performance measures in education, and the available specialist personnel and training programmes.

High Energy Particle Physics (Report)

Mr. Madel asked the Secretary of State for Education and Science if he has yet received the report of the review group into United Kingdom participation in high energy particle physics; and if he will make a statement.

Sir Keith Joseph: The review group, under the chairmanship of Sir John Kendrew has now reported to the chairmen of the Advisory Board for the Research Councils and the Science and Engineering Research Council. I am arranging for copies of the report to be placed today in the Libraries of both Houses. I expect advice from the SERC and the ABRC on this subject later this year.

Higher Education

Mr. Freud asked the Secretary of State for Education and Science if he will estimate the reduction in *(a)* the number and *(b)* the percentage of arts and humanities student places in higher education required to achieve a net increase in the output of science and engineering graduates of (i) 1 per cent. (ii) 100 and (iii) 1,000 assuming that student numbers and expenditure on higher education remain constant overall for *(x)* higher education as a whole, *(y)* polytechnics and *(z)* universities.

Sir Keith Joseph [*pursuant to his reply*, 10 June 1985, c. *338-40*]: The information there provided was not in the form indicated in the question. The information in that form is as follows:

		Hypothetical estimated reduction in total number of arts and humanities places		
		Across All Higher Education (Great Britain)	*In Universities (Great Britain)*	*In the Public Sector of Higher Education (Great Britain)*
To achieve a 1 per cent. rise in the output of science (excluding medicine) and engineering graduates	Nos (000s)	2·05	1·38	0·67
	Per cent.	0·9	1·2	0·6
To achieve a rise of 100 science graduates	Nos	180	180	180
	Per cent.	0·1	0·2	0·2
To achieve a rise of 1,000 science graduates	Nos	1,760	1,760	1,760
	Per cent.	0·7	1·5	1·5

Notes:

Figures assume that the average recurrent cost of teaching provision in science (excluding medicine) and engineering is 40 per cent. greater than the cost of arts and humanities (that is all other subjects) provision in each sector. An overall wastage rate of 15 per cent. has been assumed. No allowance is made for any differences in wastage rates or in average course lengths between subject areas or between sectors, nor for the transitional costs of switching provision between subject areas. The calculations take no account of future movements in graduate output already projected under present plans. The first column assumes equal proportional change in each sector. All figures relate to full-time student places only.

ENERGY

Nuclear Installations

Mr. Ashdown asked the Secretary of State for Energy if he will make a statement on the different stages of decommissioning and dismantling a civil nuclear power station installation.

Mr. Goodlad: The operations involved in the management and dismantling of redundant nuclear facilities are now generally termed decommissioning. A standard terminology has been adopted by the International Atomic Energy Agency to describe three main stages in decommissioning nuclear facilities, namely:

Stage 1 A minimum series of operations to remove major sources of radioactivity from the facility and make it safe. Continued and long-term routine surveillance and inspection is required.

Stage 2 Reduction of the main structure to the minimum possible size and removal of all equipment.

The residual structure would be sealed off to prevent access and subjected to periodic surveillance and inspection.

Stage 3 Complete dismantling of the plant and site clearance for unrestricted use.

Mr. Ashdown asked the Secretary of State for Energy if he will make a statement on the progress of decommissioning and dismantling *(a)* the Dounreay fast reactor and *(b)* the Windscale advanced gas-cooled reactor; and how many years will elapse in each case before clearance to a green field state.

Mr. Goodlad: Stage 1 of the Dounreay fast reactor decommissioning programme will be completed in about one year. All the secondary circuit sodium—potassium alloy coolant has been removed, treated and disposed of and all radioactive facilities outside the containment sphere, with the exception of the fuel storage pond, have also been dismantled and removed. There are no firm plans at present to take decommissioning beyond stage 1.

Defuelling of the Windscale AGR was completed in 1983. Preparations for decommissioning the reactor and associated nuclear plant, including the heat exchangers, are now in an advanced stage of planning and will start in

1989. Current plans envisage clearance of the site to stage 3 by 1995; non-radioactive facilities and services buildings will be retained for future use. The project is being undertaken as a demonstration which will provide valuable experience in support of the decommissioning of reactors in the UK civil nuclear power programme.

Laboratories (Research Budgets)

Mr. Warren asked the Secretary of State for Energy which laboratories within his Department, or within bodies for which he is responsible, have had their research budgets reduced in the current financial year; what is the financial value of the reduction; what is this figure expressed as a percentage of the total work carried out in the laboratory; and which of the laboratories for which he is responsible are being considered for privatisation.

Mr. Peter Walker: Department of Energy funding of nuclear R and D carried out by the United Kingdom atomic Energy Authority is estimated at £189·6 million (cash) for 1985-86, compared with £196·2 million (cash) in 1984-85. This reduction of £6·6 million represents under 2 per cent. of the total work expected to be carried out by the authority in 1985-86; it will be made up in part by increased contributions from the electricity generating boards. There are no plans to privatise the authority.

Questions about the R and D programmes of the nationalised energy industries are for the chairmen of those industries.

EMPLOYMENT

Job Release Scheme

Mr. Andrew F. Bennett asked the Secretary of State for Employment for what reasons delivery of new application forms for the job release scheme to jobcentres in the Manchester area is being delayed.

Mr. Alan Clark: Application forms to join the scheme before 1 August 1985 have been available from all jobcentres since late March. The application procedure for those applying to join on or after 1 August has been simplified so that they need apply only three weeks before their proposed start date, and not eight weeks as at present. Thus, under the new procedure, applications need not be submitted until 11 July for those wanting to join the scheme on 1 August. Application forms will be available in jobcentres within the next week.

Enterprise Allowance

Mrs. Rumbold asked the Secretary of State for Employment if he will extend the enterprise allowance to married women who wish to start up a new business.

Mr. Alan Clark: The rules of the scheme make married women eligible on the same basis as all other applicants.

Agricultural Inspectorate

Mr. Nellist asked the Secretary of State for Employment what amount, expressed in pounds sterling and as a percentage of total spending, was expended on the Health and Safety Executive's Agricultural Inspectorate in each of the last 10 years.

Mr. Alan Clark: The figures available are:

Year	*Total spending on the Health and Safety Executive £000s*	*Agricultural Inspectorate budget £000s*
1984-85	90,360	3,411
1983-84	85,668	3,342
1982-83	80,228	3,291
1981-82	72,580	2,746
1980-81	69,918	2,454
1979-80	55,877	2,008

The Agricultural Inspectorate's budget covers expenditure and salaries and so on, travel and subsistence, permanent transfer expenses, and training and conferences. It does not include spending on common services, such as premises costs, research, information services, capital building and equipment and so on.

Farm Safety Inspectors

Mr. Nellist asked the Secretary of State for Employment what was the number of farm safety inspectors in each of the last 10 years and the most current figure.

Mr. Alan Clark: Responsibility for farm safety was transferred to the Health and Safety Commission in 1977. Numbers of agricultural inspectors in post at 1 June each year were:

	Number
1977	190
1978	188
1979	190
1980	185
1981	176
1982	165
1983	159
1984	154
1985	161

Pesticides

Mr. Nellist asked the Secretary of State for Employment what representations he has received in the last five years, regarding the banning of the chemical 2,4,5-T; and if he will make a statement.

Mr. Alan Clark: A number of representations advocating the banning of the chemical 2,4,5-T have been received in the last five years. They included those from the trades unions such as "How Many More" produced by the Agricultural and Allied Workers National Trade Group. All such representations are considered in detail by the Government's Advisory Committee on Pesticides. The committee considerwd the latest evidence on the safety of phenoxy acid herbicides, which include 2,4,5-T, in 1982.

Mr. Nellist asked the Secretary of State for Employment (1) what research his Department has conducted into the possible harmful effects of the chemicals 2,4.5-T and 2,4-D;

(2) what international research is available to his Department on the possible harmful effects of the chemicals 2,4,5-T and 2,4-D.

Mr. Alan Clark: The Advisory Committee on Pesticides published an initial review on the safety of the herbicide 2,4,5-T in March 1979 and later reviews in December 1980 and January 1983. The reviews take account of national and international research including

investigations carried out by the Health and Safety Executive. Copies of the reports are in the House of Commons Library. The Health and Safety Executive continues to keep in touch with national and international research on this topic.

Mr. Nellist asked the Secretary of State for Employment what representations he has had alleging possible harmful effects of the chemical 2,4-D.

Mr. Alan Clark: A number of representations have been received about the possible harmful effects of phenoxy acid herbicides, which include the chemical 2,4-D. All such representations are considered in detail by the Government's Advisory Committee on Pesticides.

ENVIRONMENT

Structure Plans

Mr. Hunter asked the Secretary of State for the Environment when he intends to announce his draft modifications into the north-east Hampshire structure plan and to publish the report of the panel which conducted the examination in public into that plan.

Mr. Macfarlane: My right hon. Friend intends shortly to publish proposed modifications to the submitted alteration to the north-east Hampshire structure plan, together with the report of the panel which conducted the examination in public.

Mr. Hunter asked the Secretary of State for the Environment what representations he has received from the House Builders Federation in connection with the stage 1 alterations into the north-east Hampshire structure plan subsequent to the completion of the examination in public on 6 July 1984; and whether he intends to take those representations into account in the draft modifications he proposes to make to the plan.

Mr. Macfarlane: My right hon. Friend received no representations about the alterations from the House Builders Federation following the examination in public.

He is aware that, in the week following the examination, the House Builders Federation wrote to the chairman of the panel who, in the last session on housing issues, had offered to take account of any further, written comments from participants on circular 15/84 which was published during the examination.

My right hon. Friend is considering the panel's report.

Mr. Hunter asked the Secretary of State for the Environment when he received the report of the panel which conducted the examination in public into the north-east Hampshire structure plan held between 3 and 6 July 1984 at Farnborough, Hampshire.

Mr. Macfarlane: The report was received in my Department on 26 October 1984.

Water Supplies (Nitrates)

Mr. Kilroy-Silk asked the Secretary of State for the Environment if he will list all the occasions on which his group of experts on nitrate in water have met; and what action they have proposed should be taken.

Mr. Macfarlane: The nitrate co-ordination group has met four times so far: 14 January, 12 March, 19 April and 10 June. There have also been meetings of subgroups. Further meetings are planned and the group will be preparing a report later this year.

Mr. Kilroy-Silk asked the Secretary of State for the Environment if he has approved any exemption from the European Economic Community directive on nitrate concentration in drinking water.

Mr. Macfarlane: No decisions have yet been taken on any applications for derogations from the maximum nitrate concentration set down in the EC directive relating to the quality of water intended for human consumption.

Defective Housing

Mrs. Rumbold asked the Secretary of State for the Environment when he expects to publish the guidelines to owners and occupiers of homes that fall within the definition of the Housing Defects Act 1984.

Mr. Gow: I refer my hon. Friend to the reply which I gave to my hon. Friend the Member for Eastleigh (Sir D. Price) on 13 June 1985 at columns *524-25*.

Orlit Houses

Mr. Nelson asked the Secretary of State for the Environment what guidance he is giving to local authorities on the payment of reinstatement grants for the repair of Orlit houses without their being approved under the method of repair scheme being discussed between his Department, the National Housing Building Council and the Building Societies Association.

Mr. Gow: Before local authorities can give a reinstatement grant for the repair of any type of house designated under the Housing Defects Act, they must be satisfied, among other things, that the repaired house would be likely to be mortgageable in the private sector. The scheme arranged by the National House Building Council is intended to provide an assurance that building societies will be prepared to lend, subject to their usual conditions, on houses repaired according to methods approved under that scheme. But there is nothing to prevent an authority seeking similar assurance from private sector lending institutions direct, in respect of any method of repair.

Heysel Stadium, Brussels

Mr. Parry asked the Secretary of State for the Environment if he will make a statement on the report by the Greater London council on the condition of the Heysel stadium, Brussels, a copy of which has been sent to him.

Mr. Macfarlane: I have yet to receive a copy of this report. I shall write to the hon. Member when I do.

Rating Revaluation

Mr. Charles Morrison asked the Secretary of State for the Environment what assessment has been made of the likely effects on the property valuation for rating purposes at county level in England and Wales of a rating revaluation for the class of the property on the Inland Revenue return CVR 7140.

Mr. Waldegrave: No assessment on a county by county basis has been carried out.

Local Government Reform

Mr. Tony Banks asked the Secretary of State for the Environment how many replies he received to his letter of 17 April regarding discussions with the Government about the mechanics of abolition of the Greater London council; and if he will place copies of those replies in the Library.

Mr. Waldegrave: I have nothing to add to my reply to the hon. Member on 14 June at column *574*.

Mr. Chris Smith asked the Secretary of State for the Environment what steps he has taken to ascertain whether, in the event of the Greater London council being abolished, the London boroughs could assume responsibility for the Greater London council renovation programme to its transferred housing stock from 1 April 1986, without that programme being disrupted.

Sir George Young: It will be primarily for the boroughs to ensure that the renovation programme continues without disruption. For their part, the Government will ensure that the boroughs receive the housing investment programme (HIP) allocation that would otherwise have gone to the GLC for works to the transferred stock. The boroughs have been invited to include provision for the responsibilities they are to assume in their HIP bids for 1986-87. Also the Government have undertaken to ensure that the broad financial effect of the GLC's obligatory revenue deficit payments is maintained through rate support grant. We are currently considering the responses to consultation on the proposed arrangements.

As referred to in my answer to the question by the hon. Member for Norwood (Mr. Fraser) on 17 June 1985, at column *20*, the Government will be moving an amendment to the Local Government Bill which will provide for the residuary bodies to take a positive role in seeking the view of boroughs and districts on whether those bodies should take on any specialist teams temporarily while long-term arrangements are being finalised. This would include the renovation teams.

Mr. Tony Banks asked the Secretary of State for the Environment, pursuant to the reply of 13 June, *Official Report*, column *523*, why he does not intend to exercise any control over the expenses of preparatory committees of successor authorities; and if he will make a statement.

Mr. Waldegrave: Because this is a matter for the authorities concerned to decide.

Mr. Tony Banks asked the Secretary of State for the Environment, pursuant to the answers of 13 June, *Official Report*, column *522*, if he will take steps to ascertain which individual members of the Greater London council and metropolitan county councils have accepted membership of preparatory committees of successor authorities and which individual members of the Greater London council have been approached with a view to becoming members; and if he will make a statement.

Mr. Waldegrave: No.

Mr. Tony Banks asked the Secretary of State for the Environment, pursuant to the reply of 13 June, *Official Report*, column *523*, what guidance he intends to issue to the preparatory committees of successor authorities concerning party political balance.

Mr. Waldegrave: None.

Mr. Tony Banks asked the Secretary of State for the Environment, pursuant to the reply of 13 June, *Official Report*, column *523*, what he is doing to ensure that his Department's estimates of costs and savings following the proposed abolition of the Greater London council are kept up to date.

Mr. Waldegrave: I see no need to update the broad estimates given in the answer my right hon. Friend gave to my hon. Friend the Member for Surbiton (Mr. Tracey) on 30 November 1984 at column *611*. This made it clear that the precise extent of savings will depend on decisions to be taken by the successor bodies.

Mr. Tony Banks asked the Secretary of State for the Environment, pursuant to the reply of 13 June, *Official Report*, column *523*, what are his criteria for appointing shadow chairmen of the residuary bodies; if any people have already been approached; how the names are coming forward; and if he will make a statement.

Mr. Kenneth Baker: I have nothing to add to the answer I gave to my hon. Friend the Member for Enfield, Southgate (Mr. Portillo) on 5 June at columns *163-65*.

Mr. Tony Banks asked the Secretary of State for the Environment, pursuant to his reply of 13 June, *Official Report*, column *523*, what account he intends to take of candidates' political affiliations when appointing shadow chairmen of the residuary bodies.

Mr. Kenneth Baker: I do not regard this as a determining factor. We shall appoint the best man—or woman—for the job, regardless of political affiliation.

Mr. Tony Banks asked the Secretary of State for the Environment, pursuant to the reply of 13 June, *Official Report*, column *523*, if he will publish in the *Official Report* the borough councils which have received information from his Department secured by him under section 5 of the Local Government (Interim Provisions) Act 1984.

Mr. Waldegrave: All 32 boroughs and the common council of the city of London have received such information.

Mr. Tony Banks asked the Secretary of State for the Environment what is the machinery for approaching potential members of preparatory committees of successor authorities.

Mr. Waldegrave: This is a matter for the authorities concerned.

Mr. Roger King asked the Secretary of State for the Environment if he will make a statement on the Government's proposals for the administration and servicing of the outstanding debt of the Greater London council and the metropolitan county councils following their abolition.

Mr. Kenneth Baker: On 16 November 1984, at columns 376-78, in reply to a question from my hon. Friend the Member for Bury, North (Mr. Burt), I set out the Government's revised proposals for the handling of debt following representations received on our White Paper "Streamling the Cities" (Cmnd. 9063). After further consultations with the local authority associations and individual authorities I can now confirm that these proposals will form the basis for the administration and

servicing of the outstanding debt of the Greater London council and the metropolitan county councils following abolition.

Local Government (Grant Penalties)

Mr. Tony Banks asked the Secretary of State for the Environment, pursuant to the reply of 13 June, *Official Report*, columns *524-5*, what representations, and from whom, he has received concerning the disregarding of transitional costs incurred by London authorities for the purpose of assessing grant penalties in 1985-86; and if he will make a statement.

Mr. Waldegrave: My right hon. Friend has received various representations concerning these costs including a number from London borough councils.

Local Government Expenditure

Dr. Cunningham asked the Secretary of State for the Environment if he will list the 30 local authorities with the lowest percentage increase, or decrease, in their budgeted current expenditure in 1985-86 compared with 1981-82, showing also the change in their rate or precept in the same period.

Mr. Patrick Jenkin: Following is the available information obtained from English local authorities (1981-82—revised budgets; 1985-86—budgets):

30 Authorities with the Lowest Percentage increases in budgeted current Expenditure between 1981-82 and 1985-86

	Percentage increase in budgeted current exp 81/2-85/6	*Percentage increase in Local rate or precept 81 2-85 6*
Bath	−23·5	0
Harrogate	−22·2	3·8
Basingstoke & Deane	−10·2	2·8
Dover	−7·9	8·7
Kettering	−3·1	18·9
Bristol	−0·2	15·2
Bracknell	−0·2	−22·2
Aylesbury Vale	−0·1	30·4
Cleethorpes	0·7	9·4
Easbourne	1·1	−5·2
Vale of White Horse	1·9	−17·5
N. E. Derbyshire	2·7	15·6
Oxford	3·1	28·7
Carlisle	3·2	0·1
Reading	3·8	−18·7
Lewes	4·2	40·6
Wyre Forest	5·1	21·2
Stevenage	5·4	9·8
Tamworth	5·4	15·2
Sevenoaks	6·0	26·9
Kennet	6·2	17·4
Merton	6·4	25·2
Richmondshire	6·5	40·6
Sedgemoor	6·5	17·8
Bromsgrove	6·8	24·0
Copeland	7·0	0
Eastleigh	7·0	29·1
Langbaurgh	7·9	5·9
Mole Valley	8·3	60·3
Rossendale	8·3	8·3

Dr. Cunningham asked the Secretary of State for the Environment if he will list the 30 local authorities with the lowest percentage increase, or decrease, in their budgeted current expenditure in 1985-86 compared with 1984-85, showing also the change in their rate or precept in the same period.

Mr. Patrick Jenkin: Following is the available information from English local authorities' budgets in 1984-85 and 1985-86:

30 authorities with the lowest percentage increases in budgeted current expenditure between 1984-85 and 1985-86

	Percentage increase in budgeted current expenditure 84-85—85-86	*Percentage increase in local rate or precept 84-85 —85-86*
*Greater London CL	−26·1	−7·9
Oxford	−18·0	0
Basingstoke & Deane	−14·7	12·1
Islington	−13·7	−8·7
Cheltenham	−11·9	5·0
Bath	−10·1	0
Eastleigh	−7·9	26·7
Merton	−6·1	−5·1
Weymouth & Portland	−5·8	16·7
Dover	−5·7	7·9
Redditch	−5·1	8·6
Wyre Forest	−5·1	18·8
Rushcliffe	−5·0	8·5
Hereford	−4·8	0
North Warwickshire	−4·3	23·2
North Shropshire	−4·0	8·3
Forest of Dean	−4·0	8·7
High Peak	−3·7	12·4
East Yorkshire	−3·3	9·3
Medina	−3·3	5·7
Fylde	−2·8	6·1
Rossendale	−2·4	−2·0
Ashfield	−1·9	36·1
Stratford-on-Avon	−1·8	5·2
Reading	−1·8	−13·3
Staffs. Moorlands	−1·6	22·9
Gravesham	−1·5	15·7
Wansbeck	−1·3	12·2
Stoke-on-Trent	−1·3	9·5
Dartford	−1·3	8·9

* In 1984-85, certain expenditure on passenger transport was included within GLC current expenditure. In 1985-86 this expenditure was the responsibility of LRT.

Dr. Cunningham asked the Secretary of State for the Environment if he will list the 30 local authorities with the lowest percentage increase, or decrease, in their local rate or precept in 1985-86 compared with 1981-82, showing also the change in their budgeted current expenditure in the same period.

Mr. Patrick Jenkin: Following is the available information obtained from English local authorities (1981-82—revised budgets; 1985-86—budgets):

30 authorities with the lowest percentage increases in local rate or precept between 1981-82 and 1985-86

	Percentage increase in local rate or precept 1981-82—1985-86	*Percentage increase in budgeted current expenditure 1981-82—1985-86*
Kensington and Chelsea	−30·9	14·8
East Northampton	−22·3	23·3
Bracknell	−22·2	−0·2
Reading	−18·7	3·8
Vale of White Horse	−17·5	1·9
Corby	−16·5	39·4
Worcester	−14·8	20·7
Great Yarmouth	−13·0	17·5
Derby	−10·2	31·1
Hartlepool	−10·0	13·1

	Percentage increase in local rate or precept 1981-82—1985-86	*Percentage increase in budgeted current expenditure 1981-82—1985-86*
Waltham Forest	−9·7	20·2
Rochester on Medway	−9·4	35·3
Bassetlaw	−8·7	51·4
East Cambridgeshire	−8·0	28·7
South Shropshire	−7·7	19·8
York	−7·4	33·3
Salisbury	−6·8	14·2
Eastbourne	−5·2	1·1
Lincoln	−4·0	26·5
Peterborough	−2·9	18·3
Hammersmith and Fulham	−2·8	27·7
East Staffordshire	−2·7	39·9
St. Edmundsbury	−1·2	12·6
Copeland	0	7·0
Hereford	0	21·4
Great Grimsby	0	29·9
Bath	0	−23·5
Lancaster	0	18·8
Harrow	0·1	11·8
Carlisle	0·1	3·2

Dr. Cunningham asked the Secretary of State for the Environment if he will list the 30 local authorities with the lowest percentage increase, or decrease, in their local rate or precept in 1985-86 compared with 1984-85, showing also the change in their budgeted current expenditure in the same period.

Mr. Patrick Jenkin: Following is the available information from English local authorities' budgets in 1984-85 and 1985-86.

43 authorities with the lowest percentage increases in local rate or precept between 1984-85 and 1985-86

	Percentage increase in local rate or precept 1984-85—1985-86	*Percentage increase in budgeted current expenditure 1984-85—1985-86*
Leicester	−32·7	n/a
Southwark	−24·7	n/a
Gillingham	−20·4	4·3
Greenwich	−18·9	n/a
Lewisham	−13·9	n/a
Reading	−13·3	−1·8
Great Yarmouth	−9·9	11·0
Kensington and Chelsea	−9·2	2·6
Islington	−8·7	−13·7
Nottingham	−8·7	13·0
Greater London CL*	−7·9	−26·1
Merton	−5·1	−6·1
Brent	−4·5	5·8
ILEA	−3·4	3·5
South Yorkshire	−2·4	2·1
Rossendale	−2·0	−2·4
Allerdale	−1·8	6·1
Bracknell	−1·5	7·5
Holderness	−1·3	3·8
Portsmouth	−1·2	−0·3
Barnet	−0·8	4·0
Sheffield	−0·6	n/a
Elmbridge	−0·5	0·8
Easington	−0·4	4·8
Tyne and Wear	0	3·3
Havering	0	3·6
Langbaurgh	0	8·6
Eastbourne	0	3·0
Hove	0	0·6
Hereford	0	−4·8
Great Grimsby	0	5·3
York	0	13·3
Oxford	0	−18·0
Hammersmith and Fulham	0	7·5
Enfield	0	2·5
Bath	0	−10·1
Carlisle	0	−1·0
Chesterfield	0	1·1
Bournemouth	0	6·1
Lincoln	0	8·5
Norwich	0	5·8
Northampton	0	12·5
Ipswich	0	1·6

* In 1984-85 certain expenditure on passenger transport was included within GLC current expenditure. In 1985-86 this expenditure was the responsibility of LRT.

Dr. Cunningham asked the Secretary of State for the Environment if he will list the 30 local authorities with the largest percentage increase in their local rate or precept in 1985-86 compared with 1984-85, showing also the change in their budgeted current expenditure in the same period.

Mr. Patrick Jenkin: Following is the available information from English local authorities' 1984-85 and 1985-86 budgets:

30 Authorities with the Largest Percentage Increases in Local Rate or Precept between 1984-85 and 1985-86

	Percentage increase in local rate or precept 1984-85 to 1985-86	*Percentage increase in budgeted current expenditure 1984-85 to 1985-86*
Slough	97·3	12·7
West Wiltshire	59·9	11·3
Birmingham	43·1	11·0
Stockton on Tees	38·9	1·1
Wealden	38·8	11·4
North Dorset	38·2	10·4
Cannock Chase	37·6	7·4
Brentwood	36·5	27·9
Ashfield	36·1	−1·9
Babergh	35·8	6·7
Kirklees	34·9	5·0
North Hertfordshire	34·4	2·8
Wychavon	33·8	11·2
Swale	33·4	0·5
Suffolk Coastal	33·2	8·5
Salford	32·8	4·2
Mid Sussex	32·7	2·9
Gloucester	32·4	22·8
Berwick-upon-Tweed	31·5	12·6
Castle Morpeth	30·6	4·1
Selby	29·7	9·1
Kingston-upon-Hull	29·5	0·3
Amber Valley	29·4	1·0
Blackburn	29·4	0·7
Harborough	29·1	9·9
Eastleigh	26·7	−7·9
Torbay	25·9	7·4
Wear Valley	25·9	9·7
Chelmsford	25·4	0·3
Broadland	25·0	5·1

Dr. Cunningham asked the Secretary of State for the Environment if he will list the 30 local authorities with the largest percentage increase in their budgeted current expenditure in 1985-86, compared with 1981-82, showing also the change in their rate or precept in the same period.

Mr. Patrick Jenkin: Following is the available information obtained from English local authorities (1981-82—revised budgets; 1985-86—budgets):

30 Authorities with the Largest Percentage Increases in Budgeted Current Expenditure between 1981-82 and 1985-86

	Percentage increase in budgeted current expenditure 1981-82 to 1985-86	*Percentage increase in local rate or precept 1981-82 to 1985-86*
City of London	84·8	6·6
Wellingborough	72·9	23·4
Brentwood	69·5	64·1
Nottingham	57·5	34·8
Wimborne	53·8	62·0
Kingswood	52·5	40·0
Woking	51·9	35·4
Bassetlaw	51·4	−8·7
South Ribble	49·5	74·4
Christchurch	49·1	9·4
Crawley	48·8	14·9
Reigate and Banstead	48·6	53·5
South Northampton	48·5	17·3
Thamesdown	47·7	34·3
Preston	47·7	28·5
Thurrock	46·8	117·7
Forest Heath	46·4	4·3
Bournemouth	46·3	4·0
Arun	45·9	63·9
Mansfield	45·7	19·8
Plymouth	44·8	54·2
Milton Keynes	44·7	29·7
North West Leicester	44·2	34·4
Colchester	43·6	14·8
Tewkesbury	43·4	6·1
Windsor and Maidenhead	42·5	47·4
Caradon	42·4	18·5
Brent	42·1	8·6
Epping Forest	42·0	29·6
Darlington	41·9	16·8

Dr. Cunningham asked the Secretary of State for the Environment if he will list the 30 local authorities with the largest percentage increase in their local rate or precept in 1985-86, compared with 1981-82, showing also the change in their budgeted current expenditure in the same period.

Mr. Patrick Jenkin: Following is the available information obtained from English authorities (1981-82—revised budgets; 1985-86—budgets):

30 Authorities with the largest percentage increases in local rate or precept between 1981-82 and 1985-86

	Percentage increase in local rate or precept 81-82—85-86	*Percentage increase in budgeted current exp 81-82—85-86*
Malvern Hills	126·7	38·5
Thurrock	117·7	46·8
Chorley	115·9	22·8
Castle Morpeth	107·9	24·0
Basildon	99·7	34·2
Uttlesford	98·1	10·3
Selby	93·9	16·8
Forest of Dean	92·9	34·0
Broxbourne	87·9	13·0
Greater London Cl*	86·0	29·9
South Norfolk	85·6	32·4
Babergh	82·8	13·1
Merseyside	80·2	not available
Carrick	79·2	33·8
North Kesteven	77·2	26·9
Suffolk Coastal	75·2	28·3
Harborough	74·9	32·9
South Ribble	74·4	49·5
Harlow	74·3	37·1
Newark	72·6	37·3
Greenwich	72·4	not available
Torridge	72·3	24·5
Kerrier	72·0	27·1
West Lancashire	71·7	19·1
Kingston-upon-Hull	71·6	35·6
Swale	71·3	9·7
Nottinghamshire	70·6	28·9
West Somerset	69·6	34·8
West Wiltshire	69·1	39·7
Broxtowe	68·2	18·4

* In 1981-82, certain expenditure on passenger transport was included within GLC current expenditure. In 1985-86 this expenditure was the responsibility of LRT.

Dr. Cunningham asked the Secretary of State for the Environment if he will list the 30 local authorities with the largest percentage increase in their budgeted current expenditure in 1985-86, compared with 1984-85, showing also the change in their rate or precept in the same period.

Mr. Patrick Jenkin: Following is the available information from English local authorities' 1984-85 and 1985-86 budgets:

30 Authorities with the largest percentage increase in budgeted current expenditure between 1984-85 and 1985-86

	Percentage increase in budgeted current exp 84-85—85-86	*Percentage increase in local rate or precept 84-85—85-86*
Brentwood	27·9	36·5
Wellingborough	24·0	10·5
Gloucester	22·8	32·4
South Shropshire	21·6	3·8
Reigate and Banstead	19·4	6·5
Christchurch	16·9	16·3
Cambridge	16·9	6·3
Arun	16·2	18·9
Woking	14·7	10·8
Darlington	14·1	7·1
Alnwick	14·1	9·1
Scunthorpe	13·5	22·6
Mid Bedfordshire	13·4	12·9
Thurrock	13·4	16·4
York	13·3	0
Caradon	13·3	20·0
Thamesdown	13·2	5·8
Nottingham	13·0	−8·7
Southampton	12·9	9·5
Slough	12·7	97·3
Ellesmere & Neston	12·7	11·6
St. Albans	12·7	18·0
Berwick-upon-Tweed	12·6	31·5
Penwith	12·6	12·0
Epsom and Ewell	12·5	18·8
Aylesbury Vale	12·5	19·0
Chiltern	12·5	20·6
Northampton	12·5	0
Wimborne	12·4	19·8
Tewkesbury	12·4	15·7

Steel-framed Houses

Mr. Norris asked the Secretary of State for the Environment what action he proposes to take to assist private owners of steel-framed houses who face difficulties because of the reluctance of some building societies to lend on properties of this kind.

Mr. Gow: I have seen reports that in some cases building societies are reluctant to lend on the security of steel-framed houses, although this is by no means always the case. These houses are among the types of non-traditional dwellings built mainly by public authorities. Although there are some isolated reports of the frames of these houses being corroded, there are other reports of them being found in excellent condition. On the basis of present information I see no reason why building societies should be unwilling to lend on steel-framed houses generally provided they are surveyed properly. I appreciate that, because of their non-traditional construction, building societies and their surveyors may find it difficult to establish the condition of property and I have asked the building research establishment to prepare advice on the inspection, maintenance and repair of the various types of steel-framed house. The first of a series of papers on this subject will be published later this year.

Urban Programme

Mr. Madden asked the Secretary of State for the Environment how much money has been allocated for the urban programme holiday project for 1985. What expenditure has been agreed in Yorkshire and Humberside; and how both programmes compare with equivalent expenditure in 1984.

Sir George Young [*pursuant to his reply*, 17 June 1985, c. *23*]: Approvals for holiday play schemes under traditional urban programme circular 25 (1985/86) totalled £400,000, of which £32,000 were for schemes in Yorkshire and Humberside. Corresponding figures for 1984-85 were £855,000 and £74,000. There was a 10 per cent. reduction in total resources for the traditional urban programme, with new money falling by half because of the high level of existing commitments. Resources for partnership and programme authorities were not reduced.

NHBC Repair Scheme

Mr. Barron asked the Secretary of State for the Environment if he is now in a position to specify when the first approvals for repairs will be given under the National Housing Building Council scheme for PRC houses; when he expects the first repairs to be completed; and if he will make a statement.

Sir George Young [*pursuant to his reply*, 17 June 1985, c. *22-23*]: I refer the hon. Member to the reply my right hon. Friend gave the hon. Member for Birmingham, Perry Barr (Mr. Rooker) on 7 May at columns *299-300*.

HOME DEPARTMENT

Life Sentence Prisoners

Mr. Tom Cox asked the Secretary of State for the Home Department what is the number of inmates at present serving life sentences in prisons in the United Kingdom; and what numbers are classed in the following categories A, B and C.

Mr. Mellor: According to the records held centrally, which are approximate, on 31 March 1985 about 2,040 persons in prison department establishments in England and Wales were serving life sentences, including custody for life and detention during Her Majesty's pleasure or for life under section 53 of the Children and Young Persons Act 1933. About 195 of these prisoners were in category A. Only adult males are allocated to other security categories; those adult males held in local prisons or closed category B training establishments numbered about 1,400 on 31 March; and those held in closed category C training establishments numbered about 200.

Thorp Arch Remand Centre

Mr. Batiste asked the Secretary of State for the Home Department what facilities for teaching and training are available in the Thorp Arch remand centre.

Mr. Mellor: Education facilities are provided in a new purpose-built education centre staffed by a full-time education officer, two full-time teachers and 13 part-time teachers. Tuition is currently provided for 47 weeks a year in a wide range of subjects including basic literacy and numeracy, life skills, art and design, technical drawing and mathematics. A library located in the education unit with a stock of approximately 4,000 books is regularly available to inmates.

Mr. Batiste asked the Secretary of State for the Home Department whether he plans any building work at the Thorp Arch remand centre; and if he will make a statement.

Mr. Mellor: My right hon. and learned Friend announced in his reply to a question from my hon. Friend the Member for Keighley (Mr. Waller) on 5 June, at columns 157-58, that the role of the remand centre at Thorp Arch was to be changed to that of a category C prison. Consideration is at present being given to any building work necessary as a result of this change of role.

Mr. Batiste asked the Secretary of State for the Home Department what training facilities for staff are needed for the conversion of Thorp Arch remand centre into a category C prison.

Mr. Mellor: Existing facilities are sufficient for the governor to be able to offer the training necessary to prepare his staff for the conversion of Thorp Arch remand centre into a category C prison.

Greenham Common (Detained Persons)

Mr. Barnett asked the Secretary of State for the Home Department if he will set up an inquiry into the treatment of persons by the police while in detention after their arrest at Greenham common on 25 May, following representations from the hon. Member for Greenwich.

Mr. Giles Shaw: No. If any of the detained people wish to make a complaint about their treatment by the Thames Valley police it is open to them to do so through the normal procedures. The detained people were arrested and taken to Reading police station by the Ministry of Defence police and questions about their treatment in the course of this are a matter for my right hon. Friend the Secretary of State for Defence, to whom I have referred the hon. Member's representations.

Prisoners (Payment Rates)

Mr. Maclean asked the Secretary of State for the Home Department if he will list the payment rates for prisoners

in Her Majesty's prisons and the levels of and reasons for pocket money, including the figures currently being received by Mr. Peter Sutcliffe.

Mr. Mellor: Moneys paid to inmates of Her Majesty's prisons relate to the work performed. No other payments are made. The current rates of earnings are contained in prison department circular instruction No. 41/1984, a copy of which is in the Library.

Mr. Peter Sutcliffe is a patient in the special hospital at Broadmoor, which is the responsibility of my right hon. Friend the Secretary of State for Social Services.

Cartmel and Furness Local Plan

Mr. Franks asked the Secretary of State for the Home Department if, pursuant to the answer of 4 June, *Official Report*, column *130*, he will now call for a report from the chief constable of Cumbria as to the circumstances in which Chief Superintendent Taylor of the Cumbria police released to the *Westmorland Gazette* on 31 May details of the investigations into allegations of attempted bribery and corruption in connection with the Cartmel and Furness local plan; and if he will make a statement as to the substance of the report.

Mr. Giles Shaw: No, but the chief constable of Cumbria confirms that Chief Superintendent Taylor spoke briefly to a representative of the press on 31 May after the Director of Public Prosecutions had decided not to proceed with this case.

European Cup Final (Offences)

Mr. Parry asked the Secretary of State for the Home Department if he will call for reports from the chief constable of Merseyside and from the Commissioner of Police of the Metropolis as to progress with their inquiries into allegeged criminal offences in connection with the disaster at the Liverpool *v.* Juventus European Cup Final in Brussels on 25 May; and if he will make a statement.

Mr. Giles Shaw: The police investigation is aimed at identifying English football supporters who are suspected of criminal offences in the Heysel stadium and then interviewing them in order to obtain evidence on which extradition proceedings might be based. I understand that these inquiries, which are being carried out in close co-operation with the Belgian authorities, are unlikely to be completed for some weeks, but the Department is keeping in close touch with their progress.

Football Violence

Mr. Parry asked the Secretary of State for the Home Department what evidence is available to him of any correlation between the incidence of violence at football grounds and the presence at those grounds of representatives of extremist political organisations or parties; and if he will make a statement.

Mr. Giles Shaw: It is difficult to measure the effect which the presence of political extremists has on the level of crowd violence, but we do not rule out the possibility that this is a contributing factor. We hope that anyone with evidence that political extremists are inciting or organising violence, whether at football grounds or elsewhere, will draw it to the attention of the police.

Children (Offences)

Mr. Amess asked the Secretary of State for the Home Department (1) how many children were charged with offences relating to sections 32, 33 and 34 of the Offences Against the Persons Act 1861 for *(a)* Billericay petty sessional area, *(b)* Essex and *(c)* England and Wales for each of the past five years;

(2) how many children were charged with offences relating to sections 35 and 36 of the Malicious Damage Act 1861 for *(a)* the Billericay petty sessional area, *(b)* Essex and *(c)* England and Wales for each of the past five years;

(3) how many children were convicted of offences relating to sections 32, 33 and 34 of the Malicious Damage Act 1861; and what was the average sentence for *(a)* the Billericay petty sessional area, *(b)* Essex and *(c)* England and Wales for each of the past five years;

(4) how many children were convicted of offences relating to sections 35 and 36 of the Malicious Damage Act 1861; and what was the average sentence for *(a)* the Billericay petty sessional area, *(b)* Essex and *(c)* England and Wales for each of the past five years;

(5) in what percentage of cases of children convicted under sections 35 and 36 of the Malicious Damage Act 1861 compensation orders were made against parents for *(a)* the Billericay petty sessional area, *(b)* Essex and *(c)* England and Wales for each of the past five years;

(6) in what percentage of cases of children convicted under sections 32, 33 and 34 of the Offences Against the Persons Act 1861 compensation orders were made against parents for *(a)* the Billericay petty sessional area, *(b)* Essex and *(c)* England and Wales for each of the past five years;

(7) how many children were cautioned under sections 35 and 36 of the Malicious Damage Act 1861 by *(a)* Essex police and *(b)* the British Transport police for each of the past five years; and what percentage of these resided in south-east Essex;

(8) how many children were cautioned under sections 32, 33 and 34 of the Offences Against the Persons Act 1861 by *(a)* Essex police and *(b)* the British Transport police for each of the past five years; and what percentage of these resided in South-East Essex.

Mr. Mellor: I shall reply as soon as possible.

Prisoners (Suicides and Injuries)

Mr. Peter Bruinvels asked the Secretary of State for the Home Department how many inmates have attempted suicide in prison in the current year to date and in each of the past five years.

Mr. Mellor: The information readily available is as follows:

Year	*Number of inmates who have committed suicide*	*Number of inmates who have attempted suicide*
1980	26	Not available
1981	21	Not available
1982	22	Not available
1983	26	212
1984	26	390÷
1985*	16	

* To 17 June 1985.

÷ 1984 and first three months of 1985. The reporting period for collection of these statistics has recently been altered from the calendar to the financial year. In the transition, figures are readily available only for the 15 months 1 January 1984 to 31 March 1985.

Mr. Peter Bruinvels asked the Secretary of State for the Home Department how many detainees attempted or committed suicide whilst in custody within the Metropolitan police area in each of the past five years and to date.

Mr. Giles Shaw: Information on the number of suicides whilst in police custody in the Metropolitan police area during the period in question is contained in the appropriate annual reports of the Commissioner of Police of the Metropolis. No such suicides have been reported this year to date. Information on the number of attempted suicides is not available.

Mr. Peter Bruinvels asked the Secretary of State for the Home Department how many self inflicted injuries had been recorded as being inflicted during imprisonment or detention at Her Majesty's prisons or detention centres; and if he will make a statement.

Mr. Mellor: The information readily available relates to 1983 onwards and is as follows:

Self-inflicted injuries at Prison Department Establishments*

Year	*Prisons†*	*Detention centres*	*Total*
1983	990	22	1,012
1984 and first 3 months of 1985‡	1,357	25	1,392

* Self-inflicted injuries are defined as those injuries requiring medical treatment and include those with apparent suicidal intent.

† Prisons: includes youth custody centres and remand centres.

‡ The reporting period for collection of these stastistics has recently been altered from the calendar to the financial year. In the transition, figures are readily available only for the 15 months 1 January 1984 to 31 March 1985.

PRIME MINISTER

Rural Poverty and Deprivation

Q84. **Mr. Wigley** asked the Prime Minister if she will set up an interdepartmental committee to investigate the incidence and degree of rural poverty and deprivation.

The Prime Minister: No. The Development Commission in England, the Development Board for Rural Wales and the Highlands and Islands Development Board in Scotland have a statutory duty to keep all matters of economic development and social well-being under review and to advise the Government. In addition, the Welsh and Scottish Development Agencies have a general responsibility for economic development, which includes the rural part of their areas.

Hospital Consultants

Q89. **Mrs. Renée Short** asked the Prime Minister what action she intends to take on the recent report of the Comptroller and Auditor General on the need to appoint a higher proportion of consultants to junior doctors.

The Prime Minister: I refer the hon. Lady to the reply given to her by my right hon. and learned Friend the Minister for Health on 3 June, at column 102.

European Community Expenditure

Q92. **Mr. Teddy Taylor** asked the Prime Minister if she is now satisfied with the operation of the strict budgeting control of Common Market spending agreed at the Fontainebleau Council of Ministers.

The Prime Minister: Yes. Budget discipline first applies to the Community's budget for 1986 and to decisions taken in 1985 affecting that budget. The financial guideline for agricultural expenditure in 1986 has been playing an important part in the current price fixing negotiations; and the ECOFIN Council is preparing to fix the reference framework for the 1986 budget.

Public Trustee

Mr. Harris asked the Prime Minister which Minister has responsibility for monitoring the performance of the Public Trustee and for assessing whether the Public Trustee gives value for fees charged to those clients who are required to use his services.

The Prime Minister: The Lord Chancellor has ministerial responsibility for the Public Trustee. The Public Trustee is an independent statutory corporation and, like any other trustee, is responsible to the beneficiaries of each trust of which he is trustee for administering the trust competently and in accordance with the relevant law. In case of any failure to do so, recourse may be had to the courts. The Public Trustee's Office is self-financing: he is required by statute to set his fees at a level sufficient to cover the cost of the service he provides.

Nurses (Pay)

Mr. Deakins asked the Prime Minister what benefits in kind are available to National Health Service nurses; and if she will make a statement.

The Prime Minister: The following benefits in kind are currently available under the terms of nationally negotiated agreements:

(i) Accommodation charges — students, pupils and other nurses under age 22 receive an automatic reduction of 40 per cent. of their charges, at present worth over £300 per annum per person.

(ii) Meals—all nursing staff have a right of access to meals within National Health Service facilities at subsidised prices.

Nurses who are required to wear uniforms receive them free and have them laundered at the expense of the health authority, but we regard this as the consequence of a condition of service rather than a benefit in kind.

Police (Pay)

Mr. Deakins asked the Prime Minister what benefits in kind are available to members of the police; and if she will make a statement.

The Prime Minister: Under the Police Regulations 1979 every police officer must be provided by the police authority with free accommodation or paid a rent allowance in lieu. Some NHS medical, dental and optical charges are reimbursed. Most officers are provided with uniforms. Meals in police canteens are subsidised.

Engagements

Mr. Parry asked the Prime Minister if she will list her official engagements for Tuesday 18 June.

Mr. Peter Bruinvels asked the Prime Minister if she will list her official engagements for Tuesday 18 June.

Mr. Greenway asked the Prime Minister if she will list her official engagements for Tuesday 18 June.

Mr. Pike asked the Prime Minister if she will list her official engagements for Tuesday 18 June.

The Prime Minister: This morning I had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today.

Sharelga (Sinking)

Mr. Hoyle asked the Prime Minister what was the position of the Irish trawler Sharelga when she was sunk in 1982; what was the precise date and time of the sinking; what was the name of the submarine involved; when compensation was paid; and how much the compensation was.

The Prime Minister: The Irish trawler Sharelga sank on 18 April 1982, some 30 miles east of Dublin. The Coastguard at Anglesey picked up a distress call just after 12.30. A Royal Navy submarine was involved, but, for reasons of operational security, no further details can be given.

The Ministry of Defence has accepted liability for the incident and agreed to pay fair and reasonable compensation. Agreement has yet to be reached on the final sum. The amount of compensation is a matter for negotiation between the vessel's owners and the Ministry of Defence.

Middle East

Mr. Latham asked the Prime Minister whether she will outline any new steps which Her majesty's Government intend to pursue to advance the peace process in the middle east.

The Prime Minister: It remains my view that the primary responsibility for progress lies with the parties directly concerned. We shall continue to encourage and support all constructive proposals through our contacts with the parties and with the United States.

Legal Minimum Wage

Mr. Nellist asked the Prime Minister if, following her answer, *Official Report*, 4 June, column *149*, she will list the sources of the evidence showing the setting of a legal minimum wage leading to increased unemployment.

The Prime Minister: Evidence can be found in the following:

1. OECD Occasional Study 1983 "Effects of the Minumum Wage on the Youth Labour Market in North America and France" by J. Martin.
2. Low Pay Unit Pamphlet No. 50 "From the Dole Queue to the Sweatshop" by H. Neuberger.
3. Institute of Economic Affairs, Hobart Paper No. 101, "Low Pay or No Pay".
4. Department of Employment Research Paper No. 51 "Pay and Employment in four Retail Trades" by C. Craig and F. Wilkinson.
5. Department of Employment Research Paper No. 52 "Wage Floors in the Clothing Industry 1950-1981" by P. Morgan, D. Paterson and R. Barrie.
6. Journal of Economic Literature 1982, "Effect of the Minimum Wage on Employment and Unemployment " by Brown et al.
7. Government Economic Service, Working Paper No. 52, March 1982, "Wages and Employment in Agriculture, England and Wales, 1960-80" by P. J. Lund et al.
8. In its Economic Outlook, published at the beginning of this month, the OECD argues that:

"The need to reduce barriers to adjustment in labour markets is well recognised. Regulations intended to protect workers from possible job loss inhibit the creation of new jobs in high risk activities; and high minimum wages restrict employment openings and opportunities to upgrade skills especially among the young. Despite this recognition there has been insufficient progress in these areas in the last year".

Social Security Review

Mr. Gordon Brown asked the Prime Minister (1) if the illustrative figures to be published in the autumn with the White Paper on social security will include an updating of the table in paragraph 3.32, page 15, of the housing benefit review report, showing the distribution of gains and losses in housing benefit as a result of the proposed changes;

(2) if the illustrative figures to be published in "The Reform of Social Security" White Paper will include a statement of possible national and local office budgets for the social fund;

(3) if the the illustrative figures to be published in "The Reform of Social Security" White Paper will include details of how many will gain, or lose, and by how much, as a result of the family credit proposals;

(4) the illustrative figures to be published in "The Reform of Social Security" White Paper will include details of the possible rates, subject to inflation, of the new income support allowances for pensioners, the sick and disabled and the unemployed *(a)* under 25 years and *(b)* over 25 years and single parents.

The Prime Minister: I have said that we will publish illustrative figures showing the effects of the Green Paper proposals in the autumn once the main structure is settled. The figures will include the effects on individuals and expenditure. They will cover a range of assumptions: as I have explained before, the final effect cannot be known until the April 1987 benefit rates are settled.

NATIONAL FINANCE

Northern Ireland (Civil Servants)

Mr. McCusker asked the Chancellor of the Exchequer how many civil servants are employed by United Kingdom Government Departments in Northern Ireland.

Mr. Hayhoe: On 1 January 1985, 5,167 staff of the Home Civil Service (Inland Revenue, Ministry of Defence, Customs and Excise, PSA, the Northern Ireland Office and small numbers of staff in other Departments) were employed in Northern Ireland.

I understand from my right hon. Friend the Secretary of State for Northern Ireland that on 1 January 1985, 26,005 Northern Ireland civil servants were employed in Northern Ireland in the Northern Ireland Office and the Northern Ireland Departments, together with 3,068 staff of the Northern Ireland prison service.

These figures relate to both industrial and non-industrial staff and are expressed as full-time equivalents.

Sinclair Research

Mr. Gould asked the Chancellor of the Exchequer what information he has as to assistance provided by the Bank

of England in efforts to provide financial help to Sinclair Research; and what sums of public money are or might be involved.

Mr. Peter Rees: The Bank of England is providing no finance, but its good offices are always available to assist in such circumstances.

EC Economic and Finance Council

Mr. Leigh asked the Chancellor of the Exchequer if he will make a statement about the meeting of the European Community Economic and Finance Council in Luxembourg on 11 June.

Mr. Peter Rees: I represented the United Kingdom at this Council.

The Council discussed the economic situation, in particular, profitability, investment and employment in the Community. Work on these issues will continue, and the Council will send an interim report later this month to the Milan European Council.

There was a discussion on the further development of the European monetary system. The President of the Council will send a progress report to the President of the European Council. Work in the Monetary Committee and Committee of Central Bank Governors will continue, particularly on the development of both the private and official ecu.

The Council discussed the procedure for applying budget discipline to the 1986 Community budget. The Italian and Luxembourg presidencies will make arrangements for a meeting with the European Parliament at an early date prior to the Council fixing the reference framework for 1986, in accordance with the Council conclusions of 4 December 1984.

The Council agreed on a package of increases in travellers' allowances, from 1 October 1985 (with certain derogations for some member states). The main changes are as follows: the value element of travellers' allowance of intra-Community tax-paid goods will rise from 280 ecu (about £160) to 350 ecu (about £200); the intra-Community tax-paid still wine allowance will be increased from 4 to 5 litres; the tax exemption for small consignments sent between private citizens in the Community will rise from 70 ecu (about £40) to 100 ecu (about £60); and duty-free admission of fuel in bus tanks will be up to a maximum of 600 litres. The Council also agreed on a regular adjustment of allowances to maintain their real value.

The Council reached a common position on the 20th VAT directive, which concerns special national aid for German farmers to be paid through the VAT system and which was agreed in principle as part of the Fontainebleau package. The Council also discussed the proposed UCITS ("unit trust") directive, and work on this will continue.

Social Security Review

Mr. Roger King asked the Chancellor of the Exchequer whether he will make a statement about the tax treatment of the revised widow's benefits proposed in the Green Paper. "Reform of Social Security", Cmnd. 9517.

Mr. Moore: Yes. The proposed lump sum benefit of £1,000 payable to widows immediately on bereavement will be exempt from tax. Widow's pension and widowed mother's allowance, where payable, will be liable to tax, as they are at present.

European Community (Legislation)

Dr. McDonald asked the Chancellor of the Exchequer whether there is any material, other than the annexes to the letter sent by the Commissioners of Customs and Excise to the European Commission on 28 December 1977, copies of which have now been placed in the Library, pursuant to his earlier answer, *Official Report*, 4 June, column *115*, which an individual would need to have to know his right and obligations under the directly applicable legislation of the European Communities.

Mr. Barney Hayhoe [*pursuant to his reply*, 17 June 1985; c. *29*]: In the United Kingdom, Community VAT legislation has been implemented through the Value Added Tax Act 1983 and secondary legislation. The effects of this United Kingdom legislation are explained in a series of VAT public notices and leaflets published by Her Majesty's Customs and Excise.

Johnson Matthey Bankers

Mr. Blair asked the Chancellor of the Exchequer when the Bank of England first indicated to the company its concern about the financial circumstances of Johnson Matthey Bankers.

Mr. Ian Stewart [*pursuant to his reply*, 17 June 1985 c. 29]: I understand that the Bank of England's supervision of Johnson Matthey Bankers will be dealt with in the bank's annual report, which will be published very shortly.

FOREIGN AND COMMONWEALTH AFFAIRS

European Cup Final

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs if he will instruct Her Majesty's ambassador in Belgium to seek to obtain a copy of the forthcoming report of the inquiry by the Belgian Government into the incidents at the Heysel stadium, Brussels, on 29 May; and if he will make a statement.

Mr. Renton: A Belgian parliamentary commission of inquiry on the Heysel tragedy is due to deliver a report by 6 July. Her Majesty's embassy in Brussels will be in close touch with the Belgian authorities on this.

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs if he will instruct Her Majesty's ambassador to Italy to seek to obtain from the Italian authorities such information as may be available about progress in apprehending persons involved in alleged criminal offences in connection with the disaster at the Heysel stadium, Brussels, on 29 May; and if he will make a statement.

Mr. Renton: No. The primary responsibility for this rests with the Belgian authorities. I understand from my right hon. and learned Friend the Home Secretary that the Belgian police authorities are in close touch with the Merseyside police, who are giving every assistance.

Falkland Islands

Mr. Tony Banks asked the Secretary of State for Foreign and Commonwealth Affairs who is the planning authority for the Falkland Islands.

Mr. Renton: The planning authority for the Falkland Islands is the Executive Council of the Falkland Islands Government.

Entry Visas

Mr. Peter Bruinvels asked the Secretary of State for Foreign and Commonwealth Affairs how many entry visas were granted in each of the past four years and to date.

Mr. Renton: Details of the number of entry clearances issued for the United Kingdom are maintained on an annual basis. Figures for the past four years are as follows:

Year	*Number*
1981	604,837
1982	554,862
1983	576,634
1984	602,068

Scottish Highlands and Islands

Mr. Maclennan asked the Secretary of State for Foreign and Commonwealth Affairs what representations have been made by Her Majesty's Government to the European Commission concerning the status of the Scottish Highlands and Islands in future assessments of the social and economic situation and development of various regions of the European Community.

Mr. Allan Stewart: I have been asked to reply.

Following consideration of the regional analysis contained in the European Commission's second periodic report, published in March 1984, we have secured the Commission's agreement that the Highlands and Islands will be treated as a separate level II region in any future analysis of the social and economic development of the regions of the Community.

SCOTLAND

Workers' Co-operatives

Mr. Wilson asked the Secretary of State for Scotland what is the number of *(a)* registered workers' co-operatives and *(b)* community co-operatives in Scotland at the latest available date; how many people are employed in these co-operatives; and how the figures compare with the previous year.

Mr. Allan Stewart: The latest figures available to the Industry Department for Scotland indicated that approximately 134 Scottish co-operatives have been registered. Of these, it is estimated that 68 are workers' co-operatives and 66 community co-operatives or community businesses, employing approximately 600 and 1,400, respectively.

These figures are not collected on a regular basis. The current figures compare with 43 workers co-operatives and 39 community co-operatives or community businesses, employing 363 and 931, respectively in November 1984.

Redundancies (Dundee)

Mr. Wilson asked the Secretary of State for Scotland what was the total number of notified redundancies in the Dundee jobcentre area in 1984; and how many new jobs were created in the city during the year.

Mr. Allan Stewart: Comprehensive information on redundancies and new jobs created is not available. In 1984, 2,034 redundancies affecting 10 or more workers were notified to the Manpower Services Commission as due to occur in the Dundee jobcentre area. There have been 318 new jobs, and 99 safeguarded jobs, associated with offers of selective financial assistance under section 7 of the Industrial Development Act 1982 made to projects in the city of Dundee district in 1984. Many jobs are also created without such assistance.

Prisoners (Suicide)

Mr. Peter Bruinvels asked the Secretary of State for Scotland how many inmates attempted or committed suicide *(a)* in prison or in detention centres and *(b)* in police custody in each of the past five years and to date; and if he will make a statement.

Mr. Ancram: The information for prisons and detention centres is as follows:

	Suicide	*Attempted Suicide*
1980	1	8
1981	3	9
1982	3	4
1983	6	5
1984	5	9
1985 (to 17.6.85)	5	12

Two persons committed suicide while in police custody in the period concerned, one in 1980 and the other in 1983. Information about each is given in the annual reports of Her Majesty's Chief Inspector of Constabulary for Scotland for these years. Statistics of cases of attempted suicide while in police custody are not maintained centrally.

TRANSPORT

A1 (Roadworks)

Mr. John Carlisle asked the Secretary of State for Transport if he will take steps to ensure that, during the road maintenance works to be carried out around junction 8 of the M1 between 2 and 16 July, any work which might impede traffic flow on the A1 between Baldock and London is suspended for the same period.

Mrs. Chalker: The contractor responsible for the A1(M) Roestock-Stanborough scheme at Hatfield has been instructed to keep two lanes open in each direction on the dual-carriageway section. There will be a change in junction layout at Roehyde on the single-carriageway section, but this is not expected to cause additional delays to traffic. There will be no other roadworks on A1 between Baldock and London during this period.

M2 (Road Widening)

Mr. Moate asked the Secretary of State for Transport if he will give urgent consideration to widening the existing two lane M2 motorway from the Medway bridge, at least to the A249 access; what studies have been undertaken in this connection; and if he will give an indication of present traffic flows in relation to design capacity.

Mrs. Chalker: We are at present undertaking a study of the possible need for more capacity on M2 between junctions 1 and 3 where there are particular problems relating to a combination of traffic and gradient. We are also looking at the junction with the A2 at Brenley Corner. For the present the M2 is adequate in other areas, but we shall continue to monitor it. The present traffic flows vary from section to section. In 1984 the estimated flows between junctions 3 and 5 ranged from 27,000 to 37,000 compared with a design flow of between 32,000 and 55,000. The figures quoted are for vehicles in 24-hour average annual day.

M1 (Telephones)

Mr. Harrison asked the Secretary of State for Transport if he will ensure that, when his officials check the telecommunications system at Leicester Forest East service station on the south-bound carriageway of the motorway, they pay particular attention to telephones currently out of order, in particular Nos. 392143 and 392147.

Mr. Ridley: Yes. I am drawing the motorway service area operator's attention to the right hon. Gentleman's question.

Fishermen (Fatalities)

Mr. Stewart asked the Secretary of State for Transport how many fishermen were lost at sea in each year from 1979.

Mr. David Mitchell: The latest figures for the number of deaths at sea on fishing vessels from all causes since 1979 are as follows:

Year	*Number of deaths*
1979	36
1980	22
1981	25
1982	15
1983	25

British Rail (Bicycles)

Mr. Greenway asked the Secretary of State for Transport if when he next meets the chairman of British Rail he will raise with him the reason for a charge being levied for the carriage of bicycles on weekdays on inter-city 125 trains.

Mr. David Mitchell This is a matter for BR. My hon. Friend may wish to take it up with the chairman direct. I understand that BR makes charges for the carriage of bicycles on some inter-city 125 trains because they have very limited luggage space.

Railway Accident (Nuclear Waste)

Ms. Richardson asked the Secretary of State for Transport if he will make a statement on the circumstances surrounding the accident to a train carrying nuclear waste at Stratford goods yard on 9 May.

Mr. David Mitchell: I refer the hon. Member to my reply to the hon. Member for Newham, North-West (Mr. Banks) on 17 May 1985.

Fishing Vessels (Casualties)

Mr. Hoyle asked the Secretary of State for Transport what information he has as to the number of total losses and serious casualties to fishing vessels of any nationality in water surrounding the British Isles over the last 10 years which were, or are presumed to have been, attributable to the activity of submarines; and if he will make a statement.

Mr. David Mitchell: In the period 1974 to 1983, 408 United Kingdom registered fishing vessels were described in my departmental records as total losses and 117 as serious casualties. In the same period, eight total losses and 74 serious casualties were investigated by my Department on foreign registered fishing vessels. Information about serious casualties attributable to or presumed to be attributable to the activity of submarines is not stored in my Department's statistical data and could be extracted from such detailed records as now exist only with disproportionate cost. However, information published annually by my Department does mention unusual causes of losses to United Kingdom registered fishing vessels and there is no reference to any loss in this period resulting from the action of submarines.

Laboratories (Research Budgets)

Mr. Warren asked the Secretary of State for Transport which laboratories within his Department have had their research budgets reduced in the current financial year; what is the financial value of the reduction; what is this figure expressed as a percentage of the total work carried out in the laboratory; and which of his laboratories are being considered for privatisation.

Mr. Ridley: My Department has only one research laboratory, the Transport and Road Research Laboratory (TRRL) at Crowthorne. Provision for TRRL has not been reduced in the current year. I am keeping the scope for increasing private sector participation in transport and road research under continuing review, but I have no plans to privatise the laboratory.

NORTHERN IRELAND

Kinsale Gas

Mr. Archer asked the Secretary of State for Northern Ireland, following the decision not to use Kinsale gas, what the additional cost of providing full compensation to all gas consumers in Northern Ireland would be, including compensation for the restoration of damage following the removal of gas pipes and the cost of redecoration; and what estimate he has made for the conversion of public buildings to alternative fuels following the decision not to use Kinsale gas.

Dr. Boyson: The cost of the gas conversion assistance scheme is estimated at £20 million. The additional cost of extending to industrial and commercial consumers the full least-cost conversion or replacement grant payable to domestic consumers is estimated at approximately £4 million.

In disconnecting consumers from supply it is not the existing practice of the industry to remove pipes and fittings on private property once they have been purged and made safe. In the absence of detailed information on

existing gas appliances and individual assessments of the impact of conversion on each dwelling, it is not possible to provide any estimate of the cost of redecoration.

The estimate for the conversion of public buildings to alternative fuels, following closure of gas undertakings, is £9·75 million.

Gas Industry

Mr. Hoyle asked the Secretary of State for Northern Ireland if he will publish in the *Official Report* the reasons which led him to reject the rescue plan for the Northern Ireland gas industry produced by the Northern Ireland gas employers board and gas trade union group joint working group.

Dr. Boyson: The rescue plan proposed by the gas industry joint working group did not provide the basis for a viable gas industry. The capital and operating costs in the plan were seriously underestimated and it failed to overcome the price and market problems which led to cancellation of the Government's own Kinsale project last September.

Prisoners (Suicides)

Mr. Peter Bruinvels asked the Secretary of State for Northern Ireland how many inmates attempted or committed suicide *(a)* in prison and *(b)* in police custody in each of the past five years and to date.

Mr. Scott: I shall reply to my hon. Friend as soon as possible.

Lear Fan Company

Mr. Beggs asked the Secretary of State for Northern Ireland if he will list the estimated value of each of the major facilities and specialist pieces of equipment for which grant aid was paid to the Lear Fan Company at the Newtownabbey factory.

Dr. Boyson: Under the various agreements, Lear Fan Ltd. claimed, and the Government provided, about £3·6 million of grant assistance towards the purchase of equipment and modifications to facilities at Newtownabbey.

The Lear Fan factories at Newtownabbey are owned by the Government. The various specialist pieces of equipment which were grant-aided form part of the company's assets over which the Government has a charge. The value of these assets will be assessed in due course by the receiver.

Terrorism

Mr. William Ross asked the Secretary of State for Northern Ireland if he will publish a table in the *Official Report* to show *(a)* how many firearms, by type, namely, handguns, rifles, shotguns or fully automatic weapons, were seized by the security forces in Northern Ireland in each year since 1969; and in each year and for each type how many were legally held weapons stolen by terrorist organisations from (i) civilians, (ii) the Royal Ulster Constabulary, (iii) the Royal Ulster Constabulary Reserve, (iv) the Ulster Special Constabulary, (v) the Ulster Defence Regiment and (vi) the regular Army.

Mr. Scott [*pursuant to his reply*, 12 June 1985, c. *480*]: Information is not readily available in the form requested and could be obtained only at disproportionate cost. Such information as is available about weapons which have been recovered or stolen is given in the following tables:

	1969	*1970*	*1971*	*1972*	*1973*	*1974*	*1975*	*1976*	*1977*	*1978*	*1979*	*1980*	*1981*	*1982*	*1983*	*1984*	*Totals*
Weapons recovered by the Security Forces in Northern Ireland																	
Machine guns	3	11	28	53	49	54	43	41	32	33	31	25	38	25	15	20	501
Rifles	5	104	279	533	577	465	226	275	259	188	104	62	136	118	47	69	3,447
Shotguns	4	47	136	151	167	129	135	80	63	46	38	27	44	34	17	28	1,146
Pistols/revolvers (handguns)	2	162	273	522	520	588	416	340	209	126	127	89	139	111	86	70	3,780
Others	—	—	1	5	282	24	5	101	27	7	1	—	52	29	35	10	579
Totals	14	324	717	1,264	1,595	1,260	825	837	590	400	301	203	409	317	200	197	9,453
Legally held weapons stolen in Northern Ireland																	
Royal Ulster Constabulary/Royal Ulster Constabulary Reserve/Special Constabulary	1	1	1	49	19	29	33	22	12	14	9	1	11	9	12	8	231
Ulster Defence Regiment	1	1	2	210	49	8	242	23	12	4	10	3	7	5	—	1	578
Army	7	1	15	33	16	13	7	7	6	4	4	2	1	14	—	1	131
Private	56	71	75	394	395	201	251	247	88	52	57	45	100	85	89	112	2,318
Totals	65	74	93	686	479	251	533	299	118	74	80	51	119	113	101	122	3,258
Breakdown of weapons stolen																	
Bullet firing	36	32	61	472	312	121	342	101	45	35	33	12	29	47	21	24	1,723
Shotguns	24	29	28	175	135	114	172	169	54	33	41	32	69	55	57	75	1,262
Air weapons/miscellaneous*	5	13	4	39	32	16	19	29	19	6	6	7	21	11	23	23	273
Totals	65	74	93	686	479	251	533	299	118	74	80	51	119	113	101	122	3,258

* Miscellaneous includes blank-firing weapons, muzzle loading weapons and antique weapons.

SOCIAL SERVICES

Family Credit

5. **Mr. Penhaligon** asked the Secretary of State for Social Services what information the Minister envisages an employee will have to give to his employer in order to be eligible for the family credit, as set out by the Green Paper "Reform of Social Security", (Cmnd. 9517).

Mr. Newton: Under the proposals in the Green Paper, claims for family credit will be made direct to the DHSS by the employee. If the claim is successful the DHSS will inform both the employee and the employer of the amount to be paid. I do not envisage that an employee need give his employer any other information about the claim.

Social Security Review

15. **Ms. Harman** asked the Secretary of State for Social Services when he will publish the Green Paper, "Review of Social Services".

Mr. John Patten: We hope to publish the consultation paper later this year.

23. **Mr. Leigh** asked the Secretary of State for Social Services what representations he has received about the social security review.

24. **Mr. Andrew MacKay** asked the Secretary of State for Social Services how many representations he has received about the Green Paper "Reform of Social Security".

36. **Mr. Wareing** asked the Secretary of State for Social Services how many representations he has so far received relating to his reform of social security Green Paper from voluntary organisations; and if he will state the number broadly favourable to his proposals.

43. **Mr. Tim Smith** asked the Secretary of State for Social Services what representations he has received about his proposals for widows with children in his plans for reforming the social security system.

45. **Mr. Loyden** asked the Secretary of State for Social Services what representations he has received about the proposed provision for those people on social security to meet special needs in Cmnd. 9518 "Reform of Social Security".

49. **Mr. Nelson** asked the Secretary of State for Social Services what representations he has received in support of his proposal to ensure that the new system of income support reduces any incentive to remain unemployed.

53. **Mr. Hayes** asked the Secretary of State for Social Services how many representations he has received since the publication of his Green Paper, "Reform of Social Security"; and if he will make a statement.

Mr. Thurnham asked the Secretary of State for Social Services what representations he has received about the effect of his plans for the reform of the social security system on the unemployment trap.

Mr. Parry asked the Secretary of State for Social Services what reaction he has received following the publication of his Green Paper, "Reform of Social Security".

Mrs. Roe asked the Secretary of State for Social Services what representations he has received about the effect on those retiring in the last 25 years of this century of his proposals for the abolition of the state earnings related pension scheme.

Mr. Newton: I refer my hon. Friends and the hon. Members to my right hon. Friend's reply earlier today to my hon. Friend the Member for Norwich, North (Mr. Thompson).

25. **Mr. Kirkwood** asked the Secretary of State for Social Services what estimates have been made by his Department of the costs of implementing the Green Paper proposals for the reform of the social security system.

Mr. Newton: Detailed estimates cannot be made until decisions on the future structure of social security have been taken in the light of comments on the Green Paper.

27. **Mr. Ashdown** asked the Secretary of State for Social Services what representations he has received about his Department's progress on the computerisation of social security recorded in the Green Paper, "Reform of Social Security", Cmnd. 9518.

Mr. Newton: The Green Paper plans for the computerisation of social security build on our 1982 consultative document "Social Security Operational Strategy—A Framework for the Future". A considerable number of representations were received from staff, trade unions, members of the public, other interested bodies and hon. Members. Since then we have received further representations from time to time from hon. Members and various other sources. We have held detailed discussions with the departmental trade unions on the implementation of the local office microcomputer project and agreement on its introduction has now been reached.

28. **Mr. Nellist** asked the Secretary of State for Social Services what was the cost to his Department of the social security reviews.

Mr. Newton: I refer the hon. Member to my reply to the hon. Member for Dunfermline, East (Mr. Brown) yesterday at column *41*.

34. **Mr. Teddy Taylor** asked the Secretary of State for Social Services what estimate he has made of the public sector manpower implications of the social security proposals he announced on 3 June.

Mr. Newton: A firm assessment of the manpower implications must await decisions on the new structure of social security to be taken in the light of comments on the Green Paper. It is, however, expected that the proposed simplifications, together with the Department's plans for computerisation, will both make the system less staff-intensive and at the same time give staff better, more varied and more satisfying jobs.

35. **Mr. Barron** asked the Secretary of State for Social Services whom he will consult about the proposals in the forthcoming Green Paper on social services.

Mr. Newton: The Green Paper makes it clear that anyone is welcome to send in comments on the proposals. We have specifically invited views from a number of bodies, such as pensions organisations and local authority associations.

51. **Ms. Clare Short** asked the Secretary of State for Social Services if he will undertake not to publish the Green Paper on social services during the summer recess.

56. **Mr. Clay** asked the Secretary of State for Social Services if he will announce the publication of the Green Paper on social services at the joint social services conference in October.

Mr. John Patten: We are not yet in a position to give a precise date for the publication of this paper.

52. **Mr. Pike** asked the Secretary of State for Social Services if he has reduced the spending plans for his Department for 1987-88 in the light of the Green Paper "Reform of Social Security."

Mr. Newton: Detailed spending plans for 1987-88 can be settled only when decisions on the new structure of social security have been taken in the light of comments on the Green Paper proposals.

Mr. Gordon Brown asked the Secretary of State for Social Services if he will list all the payments made to individual members of the social security review teams, either in the form of expenses or fees.

Mr. Newton [*pursuant to his reply*, 22 May 1985, c. *470*]: Payments for fees and for reimbursement of expenses totalling just over £18,000 were made to members of the review teams, under the normal Civil Service rules applicable to individuals who are assisting Ministers in the work of their Departments. Details of payments made to particular individuals for this purpose are not normally made public.

Mr. John asked the Secretary of State for Social Services (1) if he has made any estimate of the likely rate of take-up of help from the social fund with funeral costs; (2) if he has made any estimate of the proportion of *(a)* births and *(b)* deaths which will qualify for help from the social fund with maternity and funeral costs, respectively.

Mr. Newton [*pursuant to his reply*, 12 June 1985, c. *487*]: The social security Green Paper gives a broad outline of the groups we plan to help with maternity and funeral expenses. We shall be considering the precise definitions of these groups in the light of comments received on the Green Paper. Until then it would be premature to estimate the number of payments which are likely to be made in each category. More people will benefit from these payments than do so under the present single payments regulations. Provisional figures for 1983 suggest that 171,000 single payments were made for maternity and 11,000 for funeral expenses in that year.

Mr. Gordon Brown asked the Secretary of State for Social Services if he will list those individuals or organisations who received expenses for giving oral evidence to the social security reviews, and the cost involved.

Mr. Newton [*pursuant to his reply*, 22 May 1985, c. *470*]: A small number of individuals who gave oral evidence to the review teams were reimbursed for their travelling and other necessary expenses in accordance with the normal Civil Service rules for meeting such expenses. Details of the sums paid to individuals are not normally disclosed.

Attenborough Report

19. **Mr. Wigley** asked the Secretary of State for Social Services what consideration has been given by his Department to implementing those parts of the Attenborough report on the arts and disabled people which are his departmental responsibility; and if he will make a statement.

Mr. Newton: I received a copy of the committee's published report on 28 May and attended its launch in London on 29 May. The report contains a number of wide-ranging recommendations on this interesting and important topic. We will be giving careful consideration to those which are relevant to this Department's responsibilities.

Surplus Hospital Land

21. **Mr. Norris** asked the Secretary of State for Social Services whether he is satisfied with the progress being made by regional health authorities to sell off surplus hospital land.

Mr. John Patten: There is room for improvement and much more to be done, but we are satisfied that progress is being made.

Southwark

22. **Mr. Simon Hughes** asked the Secretary of State for Social Services what representations or information he has received in the last three years on the subject of the working of the social services department in the London borough of Southwark, particularly in relation to the care of children and the elderly.

Mr. John Patten: I refer the hon. Member to the reply I gave yesterday to my hon. Friend the Member for Crawley (Mr. Soames).

Estate Management

26. **Mr. Evennett** asked the Secretary of State for Social Services whether he is able to estimate the financial gains to the National Health Service of changes in estate management in the National Health Service.

Mr. John Patten: Health circular (83)22, which contained Ministers' response to the recommendations of the report of the inquiry into surplus and underused land in the NHS, requires health authorities to undertake a programme of tasks leading to a rationalisation of the estate which is fully integrated with service planning needs. Sales of surplus NHS land totalled £31·5 million in 1983-84. It is expected that this figure will be matched and exceeded in subsequent years and that substantial revenue savings will also be achieved. More precise estimates are not available at this stage. This exercise is being given greater impetus by the recent appointment of Mr. D. N. Idris Pearce as part-time property adviser to the NHS management board.

Drug Prescribing

29. **Mr. Latham** asked the Secretary of State for Social Services whether he is now able to announce details of an appeal system to deal with specific cases where a general practitioner believes it necessary to prescribe a drug to a particular patient which is no longer available under the National Health Service.

Mr. Kenneth Clarke: I refer my hon. Friend to my reply to the hon. Member for Brent, South (Mr. Pavitt) on 13 May at columns *34-35*.

Pharmaceutical Service Negotiating Committee (Contract)

30. **Mr. Galley** asked the Secretary of State for Social Services whether he is satisfied that the new contract drawn up between the Government and the Pharmaceutical Services Negotiating Committee will lead to a better service; and if he will make a statement.

Mr. Kenneth Clarke: Yes, we are confident that the new contract for NHS community pharmacists which has been negotiated between the Government and the pharmaceutical services negotiating committee will lead to a better service for the public and satisfy the interests of the profession and the taxpayer. It will enable the National Health Service to make the best possible use of pharmacy. We also believe that the new contract represents a firm foundation on which the practice of pharmacy in the National Health Service can be developed.

The main features of the new contracts are:

a remuneration structure that will provide better incentives to efficient and cost-effective pharmacy in the National Health Service;

a system of annual negotiations and annual cost inquiries and a fixed settlement date of 1 April each year;

new arrangements under which family practitioner committees will only admit new contractors where the public and the service would benefit from the extra services;

improved help to essential small pharmacies in rural areas;

the basis for developments in the professional role of pharmacies following discussion of the report of the Nuffield inquiry which is expected later this year.

Home Help Service

31. **Mr. Corbyn** asked the Secretary of State for Social Services if he has any plans to phase out the home help service.

Mr. John Patten: No.

Homeless Families (Accommodation)

32. **Mr. Haynes** asked the Secretary of State for Social Services whether he has recently visited a bed and breakfast establishment which houses homeless families.

Mr. Whitney: I have visited a number of such board and lodging establishments in recent months.

Child Care Law

33. **Mr. Allan Roberts** asked the Secretary of State for Social Services how many responses he has received to his Department's discussion document on child care law.

Mr. John Patten: Forty-nine responses have so far been received by the inter-departmental working party on child care law to its discussion documents.

Elderly Persons (Care)

37. **Mr. Colvin** asked the Secretary of State for Social Services if he will include the question of financial support by his Department for private residential and care homes for the elderly in his eventual plans for rationalisation of the welfare state.

Mr. Whitney: The Green Paper "Reform of Social Security" contains no proposals for changes to the system of financial support to residents in private residential care homes for the elderly. We shall, however, keep this aspect under consideration in the light of our monitoring of the new board and lodging regulations which came into effect in April and the outcome of the consultations on the Green Paper.

Disabled People

38. **Mr. Donald Stewart** asked the Secretary of State for Social Services what new plans his Department has for ending discrimination against disabled people.

Mr. Newton: The Government's approach rests on a wide range of positive measures to promote wider understanding of the needs of disabled people and to promote greater opportunities for them. The Government have continued to do this both through legislative means and through efforts to increase awareness of disabled people's abilities. Recent examples are the amendment to the Building Regulations to ensure adequate access for disabled people in certain new buildings, which comes into force this August; and the code of good practice on the employment of disabled people, launched last November by my right hon. Friend the Prime Minister.

Nursing and Midwifery Staff (Pay)

39. **Mr. Roy Hughes** asked the Secretary of State for Social Services if he will now make a statement about the report of the pay review body for nursing and midwifery staff.

Mr. Kenneth Clarke: I refer the hon. Member to my right hon. Friend the Prime Minister's statement on 6 June, at columns *194-96*.

Supplementary Benefit and Residential Care (Report)

40. **Mr. Caborn** asked the Secretary of State for Social Services if he will make a statement about the report on supplementary benefit and residential care by a joint central and local government working party in 1985.

Mr. Whitney: We are at present considering this report and shall in due course be discussing it with the local authority associations.

Social Security Management Board

41. **Mr. Cockeram** asked the Secretary of State for Social Services when he estimates he will be setting up the social security management board; and who he envisages will be the members.

Mr. Fowler: The board will be set up as soon as possible. It will consist of the senior official managers in the Department, with outside members with relevant management experience of running large businesses, particularly those providing financial and personal services. The names of the members will be announced in due course.

Occupational Therapists

42. **Mr. Pavitt** asked the Secretary of State for Social Services what is the current maximum salary of an occupational therapist (senior grade 1) in the National Health Service.

Mr. Kenneth Clarke: Since 1 April 1984, the maximum salary for a grade I senior occupational therapist

in the National Health Service has been £8,747 per annum. On 6 June my right hon. Friend the Prime Minister made a statement on the Government's acceptance of the report of the Pay Review Body for nursing staff, midwives, and the professions allied to medicine. This will raise the maximum of the senior I occupational therapist scale by an increase of 16·6 per cent. to £10,200 during this financial year. The increase will be paid in two stages from 1 April 1985 and 1 February 1986.

Pensioners (Earnings Rule)

44. **Mr. Geraint Howells** asked the Secretary of State for Social Services what consideration was given to the relaxation of the earnings rule for pensioners in the course of the review of social security.

Mr. Newton: Consideration was given to the future of the earnings rule for pensioners during the social security review. The Government's conclusion is reported in chapter 1 of volume 2 of the Green Paper on the "Reform of Social Security" (Cmnd. 9518). Paragraph 1.69 reaffirms the commitment to abolish the earnings rule at the earliest opportunity when resources permit.

Hospital Waiting Lists

46. **Mr. Neale** asked the Secretary of State for Social Services whether he is yet satisfied with the drop in hospital waiting lists.

Mr. John Patten: Waiting lists, particularly in some areas and some specialties, are still too long, but we are making progress. At 30 September 1984 the waiting list for inpatient treatment stood at some 683,000. That is almost 70,000 less than at March 1979. It would have been lower still but for the industrial action in 1982.

Capital Expenditure

47. **Mr. Spencer** asked the Secretary of State for Social Services what is the latest estimate of the outturn of capital expenditure of his Department for the current financial year.

Mr. Fowler: Planned capital expenditure by my Department in 1985-86 is as follows:

	£ million
National Health Service	779
Social Security	68

Carers (Criminal Records)

48. **Mr. Andrew F. Bennett** asked the Secretary of State for Social Services if he is satisfied that the social services have adequate information about relevant criminal records of those hoping to work with vulnerable people.

Mr. John Patten: We shall be in a better position to reply after we have seen the report of the review which my right hon. and learned Friend the Secretary of State for the Home Department has established of the arrangements for supplying such information. I refer the hon. Member to his reply to my hon. Friend the Member for Surrey, South-West (Mrs. Bottomley) on 27 March at column *247*.

Integrated Tax Credit Scheme

50. **Mr. Alex Carlile** asked the Secretary of State for Social Services what consideration was given to the immediate introduction of a fully integrated tax credit scheme in the formulation of his recent Green Paper on social security.

Mr. Fowler: The Green Paper makes it clear that the Government's approach was to consider the objectives of each part of the social security system and how these might best be met. That was the first priority. But the Government accept the importance of closer alignment between tax and social security where possible. The family credit scheme and the proposed move to an April uprating date are examples of this. The computerisation of the PAYE and social security systems offer new opportunities which we are examining. Further aspects of closer integration of the two systems will be considered in the Green Paper on the reform of personal income tax to be published later this year.

Death Grant

54. **Mr. Janner** asked the Secretary of State for Social Services what was the total budget of his Department in each of the last five years for which records are available; and what percentage of that budget was disbursed in death grant payments in each of those years.

Mr. Whitney: The information requested is given in the table.

	1980-81	*1981-82*	*1982-83*	*1983-84*	*1984-85*
Total Expenditure of the Department* (£ million)	33,314	39,667	44,520	48,002	51,632
Expenditure on Death Grant (£ million)	16	17	17	17	17
Death Grant as a percentage of total expenditure (per cent.)	0·05	0·04	0·04	0·04	0·03

* Includes expenditure on social security (Programme 12) and on the National Health Service (Programme 11).
Source: Cmnd. 9428 Vol. II Tables 3.11 and 3.12.

Portable Pensions

55. **Mr. McCrindle** asked the Secretary of State for Social Services when he plans to have discussions with representatives of life assurance and pension organisations with regard to portable pensions.

Mr. Newton: My right hon. Friend has written to all member organisations of the occupational pension schemes joint working group inviting them to take part in detailed discussions with officials about the new pensions framework proposed in the Green Paper on the "Reform of Social Security." These discussions will cover arrangements for personal pensions.

Poverty

Mr. Dubs asked the Secretary of State for Social Services what is his assessment of the extent of poverty in Britain.

Mr. Whitney: There is no generally accepted measure of poverty.

Water Rates

Mr. Squire asked the Secretary of State for Social Services what is the total cost of meeting water rate payments for those in receipt of supplementary benefit at the latest date for which information is available.

Mr. Whitney: The information is not available in the precise form requested. The best figures available are those contained in table 6.14 of the Annual Statistical Enquiry 1982, a copy of which is in the Library. These show that the cost of including amounts for water charges in claimants' supplementary benefit assessments was about £2·5 million. This table does not give the complete picture because it excludes certain recipients affected by the partial start of the housing benefits scheme and those whose allowance for water rates is paid through housing benefit, for whom the information is not available.

Housing Benefit

Mr. Pike asked the Secretary of State for Social Services how many people in the borough of Burnley were receiving housing benefit on the last date for which figures are available.

Mr. Whitney: The information is not available in the precise form requested. Burnley borough council's subsidy claims for 1985-86 estimate that the average number of recipients of rent rebates, rent allowances and rate rebates will be:

	Average number
Rent rebates	5,700
Rent allowances	1,550
Rate rebates	13,250

Soho Hospital for Women

Mr. Gould asked the Secretary of State for Social Services what plans there are for the closure of the Soho hospital for women.

Mr. Kenneth Clarke: Bloomsbury health authority's document "Towards a Strategy" proposes the closure of the Hospital for Women, Soho square, by 31 March 1989 as part of its long-term plans to centralise inpatient gynaecological services at University College hospital. If the authority decides to proceed with this proposal it must be subject to the usual consultation procedures and, if the closure is opposed by the Community Health Council, it will be referred to Ministers for a final decision. I understand that at its May meeting the health authority agreed to close two wards at the hospital in early June on a temporary basis pending consultation on their permanent closure.

Chief Nursing Officers

Mr. Pavitt asked the Secretary of State for Social Services how many chief nursing officer posts in health authorities in England have been abolished; if he will list them in the *Official Report;* and if he will make a statement.

Mr. Kenneth Clarke: Health authorities are currently drawing up their proposals for revised management arrangements to implement the recommendations of the Griffiths report. We do not propose to issue detailed instructions to authorities as to how to meet this requirement and arrangements will vary according to local needs and circumstances. We are therefore not requiring authorities to appoint chief nursing officers. We have made it clear, however, that we expect each health authority to have a nurse adviser in a senior management position whose main responsibility is the provision of professional advice directly to the authority. The officer may, of course, combine this responsibility with other duties in support of the general manager. This full range of responsibilities of the officer will be reflected in the title of the post-holder.

Pensioners (Housing Benefit)

Mr. Barry Jones asked the Secretary of State for Social Services what proportion of pensioners in Wales are currently in receipt of housing benefit.

Mr. Whitney: It is estimated that in 1983, the latest date for which information is available, about two fifths of pensioners in Wales were receiving housing benefit.

NHS (Ancillary Staff)

Mr. Hoyle asked the Secretary of State for Social Services if he will list the number of all part-time staff employed in the National Health Service by grade and sex in the following professions *(a)* speech therapists, *(b)* clinical psychologists, *(c)* hospital pharmacists, *(d)* medical laboratory scientific officers, *(e)* medical physio-technicians and *(f)* physiological measurement technicians.

Mr. Kenneth Clarke: The figures requested are shown in the tables.

Table (a)
Speech Therapists
Part-time staff by grade and sex as at 30 September 1983—England*

Grade	*Part-time number*			*Whole-time equivalent†*		
	Total	*Male*	*Female*	*Total*	*Male*	*Female*
District Senior Chief	2	—	2	1	—	1
District Chief I	1	—	1	1	—	1
District Chief II	2	—	2	1	—	1
Chief III	12	—	12	9	—	9
Chief IV	60	—	60	34	—	34

Grade	Part-time number Total	Male	Female	Whole-time equivalent† Total	Male	Female
Senior I	235	—	235	116	—	116
Senior II	479	2	477	200	1	199
Basic Grade	—	—	—	—	—	—
Diploma Entry	3	—	3	1	—	1
Graduate Entry	—	—	—	—	—	—
Other Speech Therapists‡	18	—	18	6	—	6
Teacher	—	—	—	—	—	—
Total part-time Speech Therapists	812	2	810	369	1	368

Notes:
*Latest date for which information validated to this level of detail.
†Due to rounding, the sum of the components may not add to the totals shown.
‡Grade not specified.
Source: DHSS SR7 Annual Census of Non-Medical Manpower.

Table (b)
Clinical Psychologists
Part-time staff by grade and sex as at 30 September 1983—England*

Grade	Part-time number Total	Male	Female	Whole-time equivalent† Total	Male	Female
Top Grade+	—	—	—	—	—	—
Top Grade	—	—	—	—	—	—
Principal	19	4	15	8	2	7
Senior	139	22	117	36	7	29
Basic Post Probation	34	6	28	10	2	8
Basic Probationary HQ	1	—	1	1	—	1
Basic Probationary LQ¶	1	—	1	1	—	1
Other Clin. Psychologists‡	9	1	8	5	•—	5
Total part-time Clinical Psychologists	203	33	170	60	10	49

Notes:
*Latest date for which information validated to this level of detail.
†Due to rounding, the sum of the components may not add to the totals shown.
‡Grade not specified.
+Higher qualification.
¶Lower qualification.
•Insignificant when rounded to nearest 1.
Source: DHSS SR7 Annual Census of Non-Medical Manpower.

Table (c)
Hospital Pharmacists
Part-time staff by grade and sex as at 30 September 1983—England*

Grade	Part-time number Total	Male	Female	Whole-time equivalent† Total	Male	Female
Regional Pharm. Officer I	—	—	—	—	—	—
Regional Pharm. Officer II	—	—	—	—	—	—
Dist. Pharm. Officer RBO1-RB51	—	—	—	—	—	—
Area Pharm. Officer AT1-A3	1	1	—	1	1	—
Dist. Pharm. Officer 3	—	—	—	—	—	—
Dist. Pharm. Officer C	—	—	—	—	—	—
Pharmacist V	—	—	—	—	—	—
Pharmacist Senior IV	—	—	—	—	—	—
Pharmacist IV	—	—	—	—	—	—
Principal Pharmacist	1	—	1	1	—	1
Staff Pharmacist	67	4	63	39	2	37
Pharm.—Basic Grade	364	13	351	162	6	156
Pre-reg. Pharm.—Student	—	—	—	—	—	—
Other Pharmacist‡	9	1	8	5	1	4
Total part-time Pharmacists	442	19	423	208	10	198

Notes:
*Latest date for which information validated to this level of detail.
†Due to rounding, the sum of the components may not add to the totals shown.
‡Grade not specified.
+Protected payscales.
Source: DHSS SR7 Annual Census of Non-Medical Manpower.

Table (d)
Medical Laboratory Scientific Officers
Part-time staff by grade and sex as at 30 September 1983—England*

Grade	Part-time number			Whole-time equivalent†		
	Total	Male	Female	Total	Male	Female
Principal	—	—	—	—	—	—
Senior Chief	1	—	1	1	—	1
Chief	9	2	7	7	2	6
Senior	109	4	105	68	3	66
Basic Grade	812	5	807	378	3	375
Junior B	1,364	30	1,334	791	19	772
Junior A	593	11	582	309	8	301
Other MLSO‡	4	1	3	1	—	1
Total part-time med. lab. sc. ofcrs	2,892	53	2,839	1,555	34	1,521

Notes:
* Latest date for which information validated to this level of detail.
† Due to rounding, the sum of the components may not add to the totals shown.
‡ Grade not specified.
Source: DHSS SR7 Annual Census of Non-Medical Manpower.

Table (e)
Medical Physio-Technicians
Part-time staff by grade and sex as at 30 September 1983—England*

Grade	Part-time number			Whole-time equivalent†		
	Total	Male	Female	Total	Male	Female
Principal	1	1	—	‡—	‡—	—
Technician I	—	—	—	—	—	—
Technician II	5	3	2	3	2	1
Technician III	21	4	17	10	3	8
Technician IV	27	6	21	14	3	10
Junior	4	—	4	2	—	2
Student B	2	1	1	2	1	1
Student A	8	3	5	3	1	2
Total part-time medical physio-tech.	68	18	50	34	10	25

Notes:
* Latest date for which information validated to this level of detail.
† Due to rounding, the sum of the components may not add to the totals shown.
‡ Insignificant when rounded to nearest 1.
Source: DHSS SR7 Annual Census of Non-Medical Manpower.

Table (f)
Physiological Measurement Technicians
Part-time staff by grade and sex as at 30 September 1983—England*

Grade	Part-time number			Whole-time equivalent†		
	Total	Male	Female	Total	Male	Female
Senior Chief	2	—	2	2	—	2
Chief	27	4	23	20	3	16
Senior	150	6	144	83	4	79
Technician	238	3	235	123	2	121
Student B	19	—	19	9	—	9
Student A	27	1	26	12	1	11
Other P.M.T.‡	2	1	1	2	1	1
Total part-time phys. measure. tech.	465	15	450	249	11	238

Notes:
* Latest date for which information validated to this level of detail.
† Due to rounding, the sum of the components may not add to the totals shown.
‡ Grade not specified.
Source: DHSS SR7 Annual Census of Non-Medical Manpower.

NHS (Radiographers)

Mr. Hoyle asked the Secretary of State for Social Services if he will break down by grade and sex the numbers of full and part-time radiographers in the National Health Service; and if he will list the full and part-time figures separately.

Mr. Kenneth Clarke: The figures requested are shown in the table.

Radiographers by grade and sex as at 30 September 1983
England

Numbers

Grade	Full-time Total	Full-time Male	Full-time Female	Part-time Total	Part-time Male	Part-time Female
Superintendent I	163	81	82	1	1	—
Superintendent II	139	53	86	—	—	—
Superintendent III	494	123	371	5	—	5
Superintendent IV	559	124	435	55	—	55
Senior I	880	143	737	170	—	170
Senior II	1,520	234	1,286	597	12	585
Basic	2,751	436	2,315	1,170	9	1,161
Other	30	5	25	16	1	15
Total excluding tutorial staff	6,536	1,199	5,337	2,014	23	1991
Teacher Principal 24+	6	3	3	—	—	—
Teacher Principal I	29	19	10	—	—	—
Teacher Principal II	27	9	18	—	—	—
Teacher Senior	40	8	32	4	—	4
Teacher	27	9	18	5	—	5
Student Teacher	3	2	1	—	—	—
Total tutorial staff	132	50	82	9	—	9
Total including tutorial staff	6,668	1,249	5,419	2,023	23	2,000

Source: DHSS SR7 Annual census of non-medical manpower

Food Poisoning

Mr. Home Robertson asked the Secretary of State for Social Services how many cases of food poisoning which involve quick frozen food have been reported to his Department in each of the last five years.

Mr. John Patten: No cases of food poisoning of which the cause has been identified as quick-frozen food have been reported to the Department in the last five years.

Lipoflavonoid (Limited List Equivalent)

Mr. Phillip Oppenheim asked the Secretary of State for Social Services which drug or drugs on the limited list meets the clinical need of the drug Lipoflavonoid in the treatment of Menieres disease.

Mr. Kenneth Clarke: Lipoflavonoid is a multi-vitamin preparation which is of no proven efficacy in the treatment of Menieres disease. An adequate range of vitamins remains available on NHS prescription for use in cases where they are clinically indicated.

Laboratories (Research Budgets)

Mr. Warren asked the Secretary of State for Social Services which laboratories within his Department have had their research budgets reduced in the current financial year; what is the financial value of the reduction; what is this figure expressed as a percentage of the total work carried out in the laboratory; and which of his laboratories for which he is responsible are being considered for privatisation.

Mr. John Patten: Information on the funding of research in 1985-86 in individual laboratories of health authorities and other bodies financed through the Department is not held centrally. No laboratories are being considered for privatisation.

Mucodyne (Limited List Equivalent)

Mr. Phillip Oppenheim asked the Secretary of State for Social Services which drugs on the limited list meet the clinical need also met by the drug Mucodyne in the treatment of bronchial asthma and glue ear.

Mr. Kenneth Clarke: The advice of the chief medical officer's group of independent medical and pharmaceutical experts was that Mucodyne and other similar mucolytic agents were of no established therapeutic value and so should be removed from NHS prescription.

There is a difference of opinion within the medical profession on the value of this group of drugs in the treatment of conditions like bronchial asthma and glue ear. We are making arrangements for the committee which will review the selected list to consider these drugs at its first meeting. I shall announce details of the committee soon.

Drugs and Alcohol (Health Campaigns)

Mr. Dobson asked the Secretary of State for Social Services how much money the Health Education Council has spent on campaigns against hard drugs and alcohol problems, respectively, in each year since 1979; and what is its planned expenditure in the current year in real terms.

Mr. John Patten [*pursuant to his reply*, 6 June 1985, c. *237*]: Expenditure has been as follows:

Year	Alcohol £	Hard Drugs £
1979-80	24,842	—
1980-81	216,534	—
1981-82	194,683	—
1982-83	263,178	—
1983-84	310,671	—
1984-85	195,732	8,040

For 1985-86 the Health Education Council has budgeted to spend £100,000 in support of the Government's £2 million campaign on the prevention of drug misuse, and has received a grant of up to £85,000

from the Department of Education and Science for the development of a drug education package. The council's estimated expenditure on activity concerning alcohol misuse is £400,000. In addition, the council has granted £50,000 to the teachers advisory council on alcohol and drug education.

DEFENCE

HMS Conqueror (Log Book)

57. **Mr. Dalyell** asked the Secretary of State for Defence if he will make a statement on the progress of his inquiry into the disappearance of a logbook from HMS Conqueror after the Falklands war.

Mr. Stanley: I have nothing at present to add to the answer I gave the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) on 14 February 1985, at column 287.

Trident

Mrs. Clwyd asked the Secretary of State for Defence if the current estimate of Trident costs involve purchasing fewer D-5 missiles from the United States of America than the original costing of 1982.

Mr. Butler: It has been a long-standing practice, for security reasons, not to comment on the number of strategic missiles being purchased from the United States of America.

COCOM (Paris)

Mr. Faulds asked the Secretary of State for Defence if any officials of his Department, or any military or naval officers, are assigned to COCOM in Paris.

Mr. Butler: Not on a permanent basis. Ministry of Defence officials, including the occasional serving officer, attend talks in COCOM as and when considered appropriate.

War Widows

Mr. Freeman asked the Secretary of State for Defence if he will estimate the cost of providing for war widows widowed before 1973 ex gratia occupational pensions from his Department in addition to the war widow's pension they already receive.

Mr. Lee: The current additional cost would be of the order of £180 million a year, and if the war disabled were also included the annual cost would rise to some £600 million.

Training Land

Mr. Maclean asked the Secretary of State for Defence what assessment he has made of the implications for public attitudes towards the Army of his proposal to purchase land for dry training at Warcop; and if he will make a statement.

Mr. Lee: I believe that the public generally accept the need to have land for military training. The appropriateness of any particular site is determined through the usual consultation with local authorities.

Mr. Maclean asked the Secretary of State for Defence if, in the event of landowners being unwilling to sell their land to his Department for dry training purposes at Warcop, he will consider leasing the land in question.

Mr. Lee: Yes.

Laboratories (Research Budgets)

Mr. Warren asked the Secretary of State for Defence which laboratories within his Department, or within bodies for which he is responsible, have had their research budgets reduced in the current financial year; what is the financial value of the reduction; what is this figure expressed as a percentage of the total work carried out in the laboratory; and which of the laboratories for which he is responsible are being considered for privatisation.

Mr. Butler: I shall answer shortly.

RAF Alconbury

Mr. D. E. Thomas asked the Secretary of State for Defence how much it will cost the Royal Air Force in terms of accommodation, transport and other facilities for personnel who will staff the Rapier anti-aircraft missiles guarding the American facilities at Alconbury from 1986.

Mr. Lee [*pursuant to his reply*, 17 June 1985, c. *38*]: About £250,000 in 1985-86, £240,000 in 1986-87 and £200,000 a year thereafter. These costs are offset by reduction in the research and development levy for the Trident programme under arrangements published in July 1980 (Cmnd. 7979).

Written Answers to Questions

Wednesday 19 June 1985

HOUSE OF COMMONS

US Congress (Members' Facilities)

Mr. Sedgemore asked the Lord Privy Seal if he will place before the Services Committee a proposal that it should make a study of the level of facilities and staff provided for members of the United States Congress; and if he will make a statement.

Mr. Biffen: No. I do not consider that such a study would be appropriate.

ENVIRONMENT

Local Authorities (Property Disposal)

Mr. Maples asked the Secretary of State for the Environment if he will seek to give local authorities powers to enable them to dispose of their rundown estates or blocks of flats for redevelopment.

Mr. Gow: The Government wish to encourage partnership schemes of this kind and have today launched the urban housing renewal unit to assist local authorities to develop them and other initiatives to improve conditions on rundown estates. I believe that it would help authorities if powers of this kind were available to them and my right hon. Friend hopes to bring forward proposals for legislation.

Under section 34 of the Housing Act 1980 a local authority may seek possession of a dwelling let under a secure tenancy on the ground that it intends to redevelop the dwelling itself (ground 8 of schedule 4 to the 1980 Act). Before the court makes an order for possession it must be satisfied that suitable alternative accommodation will be available to displaced tenants, and the authority may make home-loss payments.

However, local authorities wishing to sell a tenanted dwelling to private developers so that the property could be renovated and brought back into use as housing under low-cost home ownership initiatives have experienced difficulties. In these circumstances, local authorities have no power either to obtain possession of the property, or to offer compensatory payments to tenants.

We hope to legislate when a suitable opportunity arises to extend the grounds for possession in schedule 4 to the 1980 Act to allow local authorities to seek possession, in circumstances approved by the Secretary of State for the Environment, on the ground that they intend to sell the dwellings to the private sector for renovation and re-use as housing. As under the existing ground 8, tenants displaced under the proposed new ground would be entitled to be offered suitable alternative accommodation and to receive home-loss payments.

We will be consulting local authority associations and others about our proposals shortly.

SOLICITOR-GENERAL FOR SCOTLAND

Football Matches (Offences)

41. **Lord James Douglas-Hamilton** asked the Solicitor-General for Scotland what has been the change in the number of court cases relating to offences at football matches since the introduction of the Criminal Justice (Scotland) Act 1980.

The Solicitor-General for Scotland: It is not possible to identify football match offences because information about the locus of an offence is not recorded.

Legal Aid

42. **Mr. Maxton** asked the Solicitor-General for Scotland when he intends to meet the procurators fiscal to discuss the Government's proposals for legal aid.

The Solicitor-General for Scotland: I do not intend to meet procurators fiscal for that purpose.

Landlords (Prosecutions)

43. **Mr. David Marshall** asked the Solicitor-General for Scotland how many prosecutions have been brought over the last 12 months or are pending against landlords for *(a)* harassment of tenants and *(b)* fraud in relation to the housing benefit system.

The Solicitor-General for Scotland: Precise figures are not available, but inquiries with procurators fiscal indicate that there have been approximately 20 and 15 cases, respectively.

Red Deer

44. **Sir Hector Monro** asked the Solicitor-General for Scotland how many prosecutions there have been for the illegal killing of red deer in the latest available year.

The Solicitor-General for Scotland: Separate statistics are not kept for red deer alone. In relation to offences under the Deer (Scotland) Acts, 40 persons were proceeded against. That figure is still provisional.

SCOTLAND

"Quarterly Economic Commentary"

10. **Mr. Craigen** asked the Secretary of State for Scotland what consideration he has given the latest "Quarterly Economic Commentary" of the Fraser of Allander Institute about reducing unemployment, a copy of which has been sent to him.

Mr. Allan Stewart: This is one of a number of commentaries we always read with interest.

Voluntary Organisations

11. **Mr. Knox** asked the Secretary of State for Scotland what was the value of grants from his Department to voluntary organisations in each of the last three years at constant prices.

Mr. John MacKay: The Department made grants to voluntary organisations in cost terms of £109·8 million in 1981-82; £127·7 million in 1982-83; and £132 million in 1983-84. Figures for 1984-85 will not be available until the appropriation accounts for that year are finalised.

Rates

12. **Mr. Gourlay** asked the Secretary of State for Scotland what is the estimated total amount of rate rebate claimable in 1985-86 in respect of properties in the Kirkcaldy district council area, under the provisions of the Rating (Revaluation Rebates) (Scotland) Bill.

Mr. Younger: The Convention of Scottish Local Authorities has advised me that Fife region as rating authority is likely to pay £969,000 in revaluation rate rebates in 1985-86, but it has made no estimate of the apportionment among properties in different districts. The hon. Gentleman may wish to seek this information from Fife regional council.

24. **Mr. Ewing** asked the Secretary of State for Scotland what is the total amount to be given in rate relief under the terms of the Rating (Revaluation Rebates) (Scotland) Bill to ratepayers in Central region; and of that amount how much will be paid to ratepayers in the area of Falkirk district council.

Mr. Ancram: The Convention of Scottish Local Authorities has advised me that Central region as rating authority is likely to pay £1·24 million in revaluation rate rebates in 1985-86. But it has made no estimate of the apportionment among properties in different districts. The hon. Member may wish to seek this information from Central regional council.

30. **Mr. Eadie** asked the Secretary of State for Scotland what is the total amount to be given in rate relief under the terms of the Rating (Revaluation Rebates) (Scotland) Bill to ratepayers in Lothian region; and of that amount how much will be paid to ratepayers in the area of Midlothian district council.

Mr. Ancram: The Convention of Scottish Local Authorities has advised me that Lothian region as rating authority is likely to pay £5·509 million in revaluation rate rebates in 1985-86. But it has made no estimate of the apportionment among properties in different districts. The hon. Member may wish to seek this information from Lothian regional council.

Mr. Dewar asked the Secretary of State for Scotland (1) if he can give any estimate of the number of lock-up garages in Scotland which will be eligible for rating relief in terms of the Rating (Revaluation Rebates) (Scotland) Bill; and what total sum is likely to be paid out to this category of ratepayer in the year 1985-86;

(2) if he can give any estimate of the number of poster sites in Scotland which will be eligible for rating relief in terms of Rating (Revaluation Rebates) (Scotland) Bill; and what total sum is likely to be paid out to this category of ratepayer in the year 1985-86.

Mr. Younger: The information requested is not held centrally.

Mr. Wallace asked the Secretary of State for Scotland what the average rate increase for commercial ratepayers has been in local authority areas where expenditure in the last financial year was kept within his guidelines.

Mr. Ancram: Average commercial rate bills increased by some 18 per cent. in 1985-86 over 1984-85 in the areas of local authorities in Scotland where spending planned by both the regional and the district councils or by the islands council was within guidelines.

Pratt and Whitney (Prestwick)

13. **Mr. Foulkes** asked the Secretary of State for Scotland if he will make a statement on the implications for the Scottish economy of the decision by Pratt and Whitney not to set up a service centre for aero engines at Prestwick.

Mr. Younger: Pratt and Whitney has made no decision as yet about the location of its proposed engine servicing plant. I understand that the company has decided to reconsider its whole European service centre operations and that it may be some time before any decisions are made.

Nurses (Pay)

14. **Mr. Buchan** asked the Secretary of State for Scotland when next he intends to meet representatives of the nursing profession to discuss pay and conditions.

Mr. John MacKay: I have had no request for such a meeting, and none is planned.

Salmon Fishing

15. **Mr. Nicholas Baker** asked the Secretary of State for Scotland what recent representations he has received about the viability and prospects of Scottish salmon fishing.

Mr. John MacKay: Representations are received from time to time from a variety of organisations and individuals who are concerned about the state of salmon stocks.

Textile and Hosiery Industries

16. **Mr. Kirkwood** asked the Secretary of State for Scotland what representations he has received from the textile and hosiery industries in Scotland about the implications for the economy of the Border region in the absence of a continuing multi-fibre arrangement.

Mr. Allan Stewart: My right hon. Friend and I have received representations from a number of industry associations on the need for a continuing multi-fibre arrangement not only for the Border region but for the country as a whole. As my right hon. Friend the Minister for Trade—who has responsibility for the arrangement—told the House on 9 May, the Government are in favour of further renewal and he will be pressing this view with our partners in the European Community.

Dundee (Economic Prospects)

17. **Mr. Wilson** asked the Secretary of State for Scotland if he will make a statement on the economic prospects of Dundee.

Mr. Allan Stewart: Dundee, and Scotland as a whole, should share in the continued growth forecast for the United Kingdom economy although as elsewhere this will depend on controlling costs and continuing improvements in productivity and efficiency.

In particular, Dundee should continue to benefit from the Dundee project, under which the Scottish Development Agency and the local authorities are acting together to develop new industrial and business opportunities in the city, and to promote its business

image. The project has already helped to create over 700 jobs and attract £15 million of private sector investment with further substantial commitments. The work of the Dundee project will be assisted by Dundee's development area status, and the presence of the Tayside enterprise zone.

Teachers (Industrial Action)

18. **Mr. Home-Robertson** asked the Secretary of State for Scotland how many schools to date have been affected by industrial action connected with the teachers' case for an independent pay review.

Mr. Allan Stewart: I understand that almost all the 2,883 local authority primary and secondary schools have been affected to some extent.

20. **Mr. Douglas** asked the Secretary of State for Scotland if he will make a further statement on representations he has received and initiatives taken in relation to the current disputes in Scottish schools.

33. **Mr. Donald Stewart** asked the Secretary of State for Scotland what further progress he has made in efforts to settle the teachers strike.

Mr. Allan Stewart: Since October 1984 some 4,900 letters have been received from hon. Members, parents and teachers. By its continuing insistence on an independent review which would look at pay alone, the EIS has prevented a review of pay and conditions of service within the SJNC(SE), as suggested by the Government. On 17 June my right hon. Friend discussed with the education committee of the Convention of Scottish Local Authorities a job description appropriate for a teacher in today's society. This could pave the way for the SNJC to consider the implications for pay and conditions and to draw up a package. The most realistic way forward in resolving the present damaging dispute would be for the teachers to enter forthwith into negotiations with the employers for the current year as an interim step towards a more comprehensive agreement for 1986-87 and subsequent years.

21. **Mr. Hirst** asked the Secretary of State for Scotland if he will make a statement about the current teachers' industrial action in Scotland.

Mr. Allan Stewart: This week, strike action is being taken by EIS members in some schools in Lothian region, and the boycott of curricular development work imposed since August 1984 continues. I understand that the Educational Institute of Scotland plans intensified industrial action next term. I deplore the damage to children's education which this entails when the way to the negotiating table remains open.

Asbestos

19. **Mr. Norman Hogg** asked the Secretary of State for Scotland how many representations he has received on the transporting of asbestos waste through urban areas; and if he will make a statement.

Mr. Ancram: Two organisations, the Inverclyde Tenants Group and the Society Against Violation of the Environment have made representations to my right hon. Friend on this subject. They have been advised that the Health and Safety Executive has confirmed that the standards of containment and cleanliness adopted by the contractor for the removal of the limited quantity of Faslane asbestos, and his contingency measures in the event of a road traffic incident, are such as to ensure that there is in common sense terms no risk to the health of any person from the transport of this low grade waste.

Fife Regional Council (Finance)

22. **Mr. Henderson** asked the Secretary of State for Scotland when he will next discuss local government finance with Fife regional council.

Mr. Ancram: It is not my right hon. Friend's practice to discuss local government finance with individual authorities. He does, however, hold regular meetings on this subject with the Convention of Scottish Local Authorities.

Forestry

23. **Mr. Hardy** asked the Secretary of State for Scotland what action he is taking to seek to ensure that forestry operations do not proceed where they do not meet the approval of the Forestry Commission; and if he will list the areas where such development has taken or is taking place.

Mr. John MacKay: With the exception of a number of small areas of plantings which, as I stated in my reply of 8 May, at columns *441-2*, to the hon. Member for Glasgow, Shettleston (Mr. Marshall), it is not possible to list, there are only two cases of any significance. These are Crichness and Shielsknowe.

As I said in another reply to the hon. Member for Glasgow, Shettleston on 8 May, at column *442*, and in my subsequent reply of 5 June, at column *170*, to the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) my right hon. Friend is not proposing to take action at this stage, but will nevertheless be watching the situation very carefully.

Public Expenditure

25. **Mr. Malone** asked the Secretary of State for Scotland what was the level of public spending in Scotland per head of population during the last financial year.

Mr. Younger: Figures for 1984-85 are not yet available. As indicated to my hon. Friend in the reply given to him on 22 February 1985, at columns *608-18*, by my right hon. and learned Friend the Chief Secretary, the figure for identifiable public expenditure in Scotland in 1983-84 was £2,058·1.

Rents

26. **Mr. David Marshall** asked the Secretary of State for Scotland if he will introduce legislation to amend the Rent (Scotland) Act 1984 so as to enable local authorities to have a fair rent registered in any tenancy, so long as the fair rent is not any higher than the existing rent.

Mr. Ancram: We are monitoring the situation to see whether there may be a need to review local authorities' powers under the Rent (Scotland) Act 1984.

Tertiary Education

27. **Mr. Bruce** asked the Secretary of State for Scotland if he will make a statement on the future of tertiary education in Scotland.

Mr. Allan Stewart: My right hon. Friend will be considering the future of tertiary education in Scotland, in the light of comments on the Government's Green Paper on higher education and of recommendations by the Scottish Tertiary Education Advisory Council whose review of higher education in Scotland will be completed later this year, and will make a statement at the appropriate time.

Job Creation

28. **Mr. MacKenzie** asked the Secretary of State for Scotland what proposals he has for increasing job opportunities for men, women and young people in Scotland.

Mr. Younger: Job opportunities are created by competitive and profitable firms, and the process of job creation therefore depends critically on Scottish industry's success in exploiting the opportunities afforded by the continued economic growth expected this year. The Budget measures were designed to stimulate enterprise, restore market flexibility and provide the low inflation environment in which such firms can flourish.

Forestry Commission Roads

29. **Mr. Andrew F. Bennett** asked the Secretary of State for Scotland if he will make a statement about the maintenance of Forestry Commission roads.

Mr. John MacKay: With a few exceptions, for example, forest drives, the majority of the Forestry Commission's 16,000 km of forest roads are built for use only by the commission's and contractor's vehicles, although the public are normally permitted to use them on foot. Some 9,000 km of roads are currently used by heavy vehicles, such as haulage lorries, while the remainder are used by light vehicles and harvesting equipment.

The roads are maintained to a standard sufficient to ensure the safety of legitimate road users; to maintain the flow of traffic at appropriate speeds and to keep down vehicle maintenance costs. The incidence of road maintenance — which costs the commission some £4 million per annum — varies according to a number of factors such as the traffic flow, the weather and the materials employed in the formation of the road.

Steel Industry

31. **Mr. James Hamilton** asked the Secretary of State for Scotland when he next intends to meet the chairman of the British Steel Corporation to discuss the steel position in Scotland.

Mr. Allan Stewart: My right hon. Friend meets the chairman of the British Steel Corporation from time to time to discuss the operations of the corporation in Scotland, but there are no arrangements for any meeting in the immediate future.

Scottish Football Association

32. **Mr. McKelvey** asked the Secretary of State for Scotland if he has plans to meet the Scottish Football Association in the near future to discuss rateable values.

Mr. Ancram: No. I shall send the hon. Member a copy of the reply which I have sent to a recent letter from the Scottish Football Association about the rates burden on clubs.

Rural Development Fund

34. **Sir Hector Monro** asked the Secretary of State for Scotland what discussions he has had with the Scottish Development Agency about setting up a rural development fund.

Mr. Younger: Assistance to rural areas was one of the matters discussed when I met the board of the agency on 7 June. These discussions will be taken into account in further consideration of the recommendations which have been made to me for the establishment of a rural development fund.

Legal Aid

35. **Mr. Maclennan** asked the Secretary of State for Scotland how many representations had been received by 31 May in response to the Government's consultation document on legal aid in Scotland.

Mr. Ancram: By 31 May, 40 responses had been received.

Agriculture (Research and Development)

Mr. Donald Stewart asked the Secretary of State for Scotland what is his estimate of the amount spent in each of the last five years on research and development and advisory services in agriculture.

Mr. Younger: The funding by my Department of research and development and advisory services in agriculture at the Scottish agricultural colleges and the Scottish agricultural research institutes is estimated as follows for each of the last five years:

Year	*R & D* £ *million*	*Advisory Services* £ *million*
1980-81	23·0	4·9
1981-82	26·0	6·1
1982-83	26·9	7·0
1983-84	27·7	7·2
1984-85	29·5	7·5

Mr. Donald Stewart asked the Secretary of State for Scotland how many persons were employed in research and development and advisory services of the Department of Agriculture for Scotland in 1979; and how many he estimates will be employed when the reductions in funding have been implemented.

Mr. Younger: The number of staff employed at the eight Scottish agricultural research institutes at 1 October 1979 was 1,376. Because of the multi-disciplinary nature of the work at the three Scottish agricultural colleges, it is not possible to provide a breakdown of the number of staff employed on research and development and advisory work alone, but the total number of staff employed at 1 October 1979 was 1,267.

The number of staff likely to be employed in the institutes and colleges when the reductions in public funding announced in the public expenditure White Paper have been implemented will depend on a number of factors, including the level of private funding from the industry.

Crofter Houses

Mr. Donald Stewart asked the Secretary of State for Scotland how many applications for grants and loans for the building of crofter houses were approved in 1983 and 1984.

Mr. Younger: The information is as follows:

Number of approved applications for assistance under the Crofters Building Grants and Loans Scheme

	1983	*1984*
New housing	132	138
Housing improvement	171	252
Total	304	390

Higher Education

Mr. Ron Brown asked the Secretary of State for Scotland what percentage of Scottish school leavers continued their education at universities and colleges in each of the years 1980-81 to 1984-85.

Mr. Allan Stewart: Information is available from biennial school leavers' surveys. The following table shows the percentages of school leavers who, in the following spring, were in full-time further or higher education.

Type of full-time education	*Session of leaving school*		
	1979-80	*1981-82*	*1983-84**
	Percentage	*Percentage*	*Percentage*
University	7	8	n/a
College of education	1	1	n/a
Advanced further education	4	6	n/a
Other full-time education	10	11	n/a
Total full-time education	22	26	(25)

* Provisional.

New Towns Development Corporations

Dr. M. S. Miller asked the Secretary of State for Scotland what was the total capital expenditure by each of the new town development corporations in Scotland in each year from 1978-79 to 1984-85, inclusive; and what was the capital expenditure on housing by each of the development corporations in each year, within these totals.

Mr. Allan Stewart: The information is set out in the following table:

Total capital expenditure

£ million

	1978-79	*1979-80*	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*
East Kilbride	2·8	5·8	9·3	11·3	13·4	11·8	9·5
Cumbernauld	9·8	10·9	13·7	16·5	11·7	12·9	15·3
Glenrothes	8·7	9·8	10·2	10·1	13·1	11·2	9·9
Livingston	16·3	17·8	16·3	15·0	12·0	12·8	13·9
Irvine	11·1	7·6	11·4	6·1	4·3	6·0	9·6
	Total housing capital expenditure						
East Kilbride	0·5	1·8	3·7	7·7	8·9	7·9	6·5
Cumbernauld	6·0	5·3	6·9	9·8	6·0	4·6	7·3
Glenrothes	6·1	6·3	7·6	6·4	7·5	5·9	3·8
Livingston	10·6	10·9	8·6	8·2	4·4	4·2	5·6
Irvine	7·8	4·9	8·6	4·1	2·8	3·4	4·5

Dr. M. S. Miller asked the Secretary of State for Scotland what is *(a)* the total allowance of capital expenditure and *(b)* the allowance of capital expenditure for housing, within the total expenditure of each of the new town development corporations in Scotland for 1985-86; and how this is expected to be funded in each case.

Mr. Allan Stewart: The information is set out in the following table:

£ million
1985-86

	East Kilbride	*Cumbernauld*	*Glenrothes*	*Livingston*	*Irvine*
Total Capital Expenditure Allocation	10·3	12·6	7·7	14·0	8·5
Housing Capital Expenditure Allocation	5·7	3·7	3·4	5·3	3·0
To be funded					
Net proceeds from sales	5·3	3·5	2·7	2·9	1·0
Net Capital Investment (Funded centrally through borrowing from the National Loans Fund)	0·4	0·2	0·7	2·4	2·0

Dr. M. S. Miller asked the Secretary of State for Scotland what were the sources of funding of the capital expenditure of each of the new town development corporations in Scotland for each of the years 1978-79 to 1984-85 inclusive.

Mr. Allan Stewart: The information is set out in the following table:

£ million

	1978-79	*1979-80*	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*
East Kilbride							
Net proceeds from Sales	2·3	3·3	6·3	3·6	7·2	9·0	9·7
Net Capital investment	0·5	2·5	3·0	7·7	6·2	2·8	(0·2)
Cumbernauld							
Net proceeds from Sales	2·4	1·8	4·0	1·8	5·5	11·1	7·2
Net Capital investment	7·4	9·1	9·7	14·7	6·2	1·8	8·1
Glenrothes							
Net proceeds from Sales	0·8	1·7	1·9	1·4	4·9	7·1	5·6
Net Capital investment	7·9	8·2	8·3	8·7	8·2	4·1	4·3
Livingston							
Net proceeds from Sales	1·3	2·3	2·9	3·6	4·9	6·1	5·2
Net Capital investment	15·0	15·6	13·4	11·4	7·1	6·7	8·7
Irvine							
Net proceeds from Sales	—	0·8	1·5	1·4	1·1	0·8	4·3
Net Capital investment	11·1	6·8	9·9	4·7	3·2	5·2	5·3

Net capital investment is funded centrally through borrowing from the national loans fund.

Dr. M. S. Miller asked the Secretary of State for Scotland what were the figures for numbers of employees of each of the new town development corporations in Scotland in *(a)* manual and *(b)* non-manual categories, for each of the years 1978-79 to 1984-85 inclusive; and what are the present figures.

Mr. Allan Stewart: The information is set out in the following table:

Number of Employees of New Town Development Corporations

	East Kilbride	*Cumbernauld*	*Glenrothes*	*Livingston*	*Irvine*
1978-79					
Manual	374	360	199	254	83
Non-Manual	308	369	310	374	265
1979-80					
Manual	379	368	200	258	93
Non-Manual	284	369	300	370	251
1980-81					
Manual	473	392	202	254	99
Non-Manual	287	371	303	363	250
1981-82					
Manual	457	404	207	261	102
Non-Manual	281	364	287	354	237
1982-83					
Manual	497	412	228	257	96
Non-Manual	282	352	301	337	234
1983-84					
Manual	494	439	231	243	95
Non-Manual	294	336	301	335	238
1984-85					
Manual	469	445	252	249	96
Non-Manual	307	338	298	336	242
*May 1985**					
Manual	424	380	243	257	94
Non-Manual	291	317	303	337	243

* Latest position available.

Dr. M. S. Miller asked the Secretary of State for Scotland what were the average numbers of persons on the waiting lists for houses to let maintained by the new town development corporations in Scotland in each of the years 1978-79 to 1984-85 inclusive; and what are the present numbers.

Mr. Allan Stewart: The information available about average numbers on housing waiting lists maintained by new town development corporations is not on a uniform basis and does not enable me to give a meaningful reply.

Dr. M. S. Miller asked the Secretary of State for Scotland what were the amounts of housing grant paid to each of the new town development corporations in Scotland in each of the years 1978-79 to 1984-85 inclusive.

Mr. Allan Stewart: The amounts of housing grant paid to each of the new town development corporations in Scotland in each of the years 1978-79 to 1984-85 are set out in the following table:

	*East Kilbride** £	*Cumbernauld* £	*Glenrothes* £	*Livinston* £	*Irvine* £
1978-79	3,836,615	5,176,072	2,702,218	9,255,214	5,832,768
1979-80	3,925,467	5,834,066	3,520,545	10,467,985	6,673,014
1980-81	3,168,826	5,666,568	4,419,511	11,486,459	7,646,243
1981-82	3,071,058	5,300,663	4,133,245	11,243,233	8,333,225
1982-83	3,063,000	5,467,000	3,949,000	11,320,000	8,309,000
1983-84	3,665,000	5,168,000	4,257,000	11,110,000	8,573,000
1984-85	3,023,000	5,341,000	4,338,300	11,031,000	8,674,000

* Including the new town of Stonehouse.

New Towns (Rents)

Dr. M. S. Miller asked the Secretary of State for Scotland what were the average rentals charged for development corporation houses in each of the new towns in Scotland in each of the years 1978-79 to 1984-85 inclusive; and what were the comparable figures for rents of district council houses in each of the districts containing the new towns concerned.

Mr. Allan Stewart: The figures requested are shown in the table and refer to the position at 30 September of each year.

Average rental

Area	*1978-79* £	*1979-80* £	*1980-81* £	*1981-82* £	*1982-83* £	*1983-84* £	*1984-85* £
Cumbernauld New Town	326·80	353·03	428·23	530·43	642·35	689·21	751·30
Cumbernauld and Kilsyth District	180·30	254·62	328·74	464·21	526·61	526·33	551·88
East Kilbride New Town	304·81	328·04	398·86	497·10	604·16	648·78	697·39
East Kilbride District	216·31	241·00	337·28	433·89	549·02	594·23	646·75
Glenrothes New Town	299·17	325·87	399·78	509·96	610·50	651·82	717·32
Kirkcaldy District	266·80	241·34	292·63	420·27	499·75	543·46	603·37
Irvine New Town	339·18	355·01	438·95	518·24	628·85	674·57	727·31
Cunninghame District	210·52	268·58	268·96	371·50	416·77	459·67	460·05
Livingston New Town	274·29	305·47	384·70	495·93	608·90	653·77	717·49
West Lothian District	205·54	226·84	275·33	425·32	507·35	545·21	571·12

Food (Self-sufficiency)

Mr. Donald Stewart asked the Secretary of State for Scotland what is the estimated level of Scottish self-sufficiency in 1984 for the following food commodities: *(a)* beef and veal, *(b)* mutton and lamb, *(c)* pigmeat, *(d)* poultrymeat, *(e)* liquid milk, *(f)* cheese, *(g)* butter, *(h)* eggs, *(i)* barley, *(j)* oats, *(k)* wheat and *(l)* potatoes.

Mr. Younger: No reliable data for individual years are available. Information for the three-year period centred on 1983 will be ready shortly, and I will write to the right hon. Member then.

Local Government Boundary Commission for Scotland

Mr. Henderson asked the Secretary of State for Scotland if he has made any changes in the composition of the Local Government Boundary Commission for Scotland; and if he will make a statement.

Mr. Younger: The members of the Local Government Boundary Commission for Scotland are as follows:

R. A. Bennett, QC, chairman — reappointed on 1 November 1982 until 31 October 1986

Mr. G. Carlton, OBE, vice chairman—reappointed as a member on 1 November 1982 and appointed as vice chairman on 17 May 1985 until 31 October 1986

Mr. S. McDowall, CBE, member — appointed on 1 November 1982 until 31 October 1986

Mr. A. Napier, member—appointed on 1 May 1985 until 31 October 1988
Professor J. B. Baird, member—appointed on 1 June 1985 until 31 October 1988

The chairman, vice chairman and members are all appointed by the Secretary of State for Scotland.

Museums Advisory Board (Report)

Mr. Henderson asked the Secretary of State for Scotland whether he has received the report of the Museums Advisory Board, which he set up to examine the future operation under one board of trustees of Scotland's national museums.

Mr. Younger: I have now received the advisory board's report. It is a cogent document, and I have written to the Marquess of Bute to express my thanks to him and to the members of the board for the time and effort they have devoted to its preparation.

The report sets out a number of detailed recommendations for the future organisation of Scotland's two national museums—the Royal Scottish Museum and the National Museum of Antiquities of Scotland — after they are brought together administratively on 1 October this year under a single board of trustees, as foreshadowed in the National Heritage (Scotland) Act 1985. I am now, at the advisory board's request, making the report generally available. Copies have been placed in the Libraries of both Houses, and are being issued to a range of bodies and individuals whom the advisory board consulted or who submitted evidence to it. Further copies will be available on application to the Scottish Office Library, New St. Andrew's House, Edinburgh, price £2 each and are also for sale at the two museums.

The report's main recommendation is that the two museums should be integrated as fully as possible and that development of the Williams committee's concept of a Museum of Scotland should be achieved within the framework thus created. I accept the arguments set out in the report in favour of this approach, which I fully endorse for the future organisation of the museums. Confirmation of this point should enable the trustees, when appointed, to make early progress along the lines set out in the report.

The report makes a number of other detailed recommendations on the staffing and accommodation of the museums. In relation to staffing, the additional resources which I made available for the national museums in 1985-86 will, as the report acknowledges, enable a number of the posts, which the advisory board identifies as those most urgently needed, to be filled. I will give consideration over the coming months to the additional staffing requirements identified in the report and to the case which it makes for substantial additional accommodation for the national museums, most notably on the empty site next to the present Royal Scottish Museum building in Chambers street. I have, of course, already indicated that priority will be given to the national museums in the allocation of resources from the capital programme for the Scottish national institutions. Detailed decisions on the nature and timing of additional accommodation must await the outcome of the 1985 public expenditure survey.

Many of the recommendations in the report will require the consideration of the new trustees. I am pleased to announce that Lord Bute has agreed to undertake the chairmanship of the National Museums Board for an initial period of one year, to 30 September 1986, with the possibility of extension thereafter by mutual agreement. I intend to announce the appointment of other trustees before the end of this month.

PRIME MINISTER

Recycled Paper

Mr. Chris Smith asked the Prime Minister which Government Departments are currently using recycled paper.

The Prime Minister: Her Majesty's Stationery Office encourages its suppliers to produce recycled paper and paper products and makes these available for use by all Government Departments. However, central records are not kept of actual usage.

HOME DEPARTMENT

Young Persons (Remand)

Mr. Batiste asked the Secretary of State for the Home Department what is his policy concerning the holding of young persons on remand within adult prisons.

Mr. Mellor: Within the constraints imposed by the size of the prison population and the availability of accommodation it is our policy that remand prisoners should be held in locations which are easily reached by their families and legal advisers, and that young people (that is those aged under 21) on remand should be held in a separate establishment or part of an establishment. Where complete separation of that kind is not possible, every effort is made to keep young people apart from adults within an establishment. Very great care is always taken to keep juveniles (that is those aged under 17) apart from adults.

Thorp Arch Remand Centre

Mr. Batiste asked the Secretary of State for the Home Department what facilities for recreation are available at the Thorp Arch remand centre.

Mr. Mellor: Thorp Arch has a sports field with two soccer pitches, a sports hall, including a side-area with weight-training equipment, a television and video room, a room equipped for indoor association and games, and a library.

Mr. Batiste asked the Secretary of State for the Home Department whom he consulted before making his decision to convert the Thorp Arch remand centre into a category C prison.

Mr. Mellor: The change of role at Thorp Arch is part of a package designed to adjust the use of prison department accommodation so as to reduce extreme overcrowding at Leeds prison. My right hon. and learned Friend did not consult outside the Home Office on the specific adjustment that he has announced.

Mr. Batiste asked the Secretary of State for the Home Department what is the maximum number of young persons who can be held at Thorp Arch remand centre at present; and what is the maximum number of adult category C prisoners who could be held in the present accommodation.

Mr. Mellor: Thorp Arch has a certified normal accommodation of 164, including 17 places in the hospital. As a training prison, its certified normal accommodation will fall to 147 because hospital places are not included in the certified normal accommodation of training prisons. No more than 234 prisoners have in practice been held there although the establishment's theoretical operating capacity is higher than that. The precise number of adult prisoners to be held in the establishment has yet to be settled.

Mr. Batiste asked the Secretary of State for the Home Department how many net places in the prison system will be lost as a consequence of his announced coversion of Thorp Arch remand centre into a category C prison.

Mr. Mellor: The change of use of Thorp Arch is part of a package designed to ease the pressure on Leeds prison and which includes the conversion of Hull into a local prison. The net effect of these changes will be an increase of over 150 in the operating capacity of the prison system.

Mr. Batiste asked the Secretary of State for the Home Department what changes to the present staffing levels at the Thorp Arch remand centre will follow its conversion to a category C prison.

Mr. Mellor: Thorp Arch will require fewer staff than at present because it will no longer be necessary to convey untried prisoners from Thorp Arch to the courts. Future staffing levels are still being assessed.

Remand Centres (Closures)

Mr. Batiste asked the Secretary of State for the Home Department if he will make it his policy not to approve any proposal for the closure of a remand centre for young persons until he has satisfied himself of the availability of adequate suitable facilities in other similar establishments.

Mr. Mellor: The availability and suitability of alternative facilities is one of the major factors taken into account before any decision about a change of role is taken.

Category C Prisoners

Mr. Batiste asked the Secretary of State for the Home Department what constraints there are in classifying an adult category C prisoner in terms of *(a)* nature of offence and *(b)* length of sentence.

Mr. Mellor: A category C prisoner is defined as one who cannot be trusted in open conditions but who does not have the ability or resources to make a determined escape attempt.

The security categorisation of prisoners is decided on the basis of individual assessments that take a number of factors into account. In the case of long-term prisoners these assessments are periodically reviewed. Prisoners are not excluded by their offences or sentence lengths from being placed in category C in due course, but the assessment process is intended to exclude those who are dangerous or serious escape risks.

Remand Centres and Adult Prisons

Mr. Batiste asked the Secretary of State for the Home Department what differing requirements there are in respect of *(a)* internal security, *(b)* perimeter security, *(c)* recreational facilities and *(d)* staffing levels, between a remand centre for young offenders and a category C adult prison.

Mr. Mellor: In general, a category C adult training prison requires a somewhat lower level of security, more recreational facilities and fewer staff than does a young offender remand centre.

Dogs

Mr. Greenway asked the Secretary of State for the Home Department if he will make a statement of Government policy on the breeding of dogs.

Mr. Mellor: The Breeding of Dogs Act 1973 regulates the breeding of dogs for sale by means of a local authority licensing system. The Government have no plans for any further measures to control dog breeding.

Police National Computer (Commercial Competitions)

Mr. Cohen asked the Secretary of State for the Home Department if he will call for reports from chief constables about whether officers in their forces have made use of the police national computer or other computer data bases to which they have access in order to contact potential winners in a commercial competition based on vehicle registration numbers; and if he will make a statement.

Mr. Giles Shaw: The Police Complaints Authority has approved the appointment of an assistant chief constable to conduct an inquiry, under the authority's supervision, into this alleged misuse of the police national computer.

"Television Without Frontiers"

Sir Dudley Smith asked the Secretary of State for the Home Department what is the policy of Her Majesty's Government on the proposals in the European Economic Community Green Paper entitled "Television Without Frontiers"; what representations he has made to the Commission on this matter; and if he will make a statement.

Mr. Giles Shaw: The Government have not reached a firm view on whether the Community has competence to legislate on broadcasting matters. We support the general objective of the Green Paper, which is to facilitate television broadcasting across frontiers and thereby assist the process of European integration, but we do not consider that the case for Community legislation to achieve this objective has yet been made out. In the Government's view, the Green Paper lays too much emphasis upon the economic aspects of broadcasting and fails to give due weight both to the wider cultural considerations and to the role of the Council of Europe in facilitating trans-frontier broadcasting among a wider grouping of European nations. These and other more detailed points have been made to the Commission in the official discussions in Brussels.

Immigration Rules

Mr. Tony Lloyd asked the Secretary of State for the Home Department when he expects to complete his review of whether to make generally available instructions to immigration officers dealing with the interpretation of the immigration rules; and if he will make a statement.

Mr. Waddington: I would refer the hon. Member to the reply given to a question from the right hon. Member for Manchester, Gorton (Mr. Kaufman) on 29 April, at column 24.

Theft Act 1978

Mr. Hicks asked the Secretary of State for the Home Department if he will introduce amending legislation relating to the provisions of section 3 of the Theft Act 1978 as it affects hotels, restaurants and taxis in view of the ruling of the House of Lords on Thursday 13 June about a client's intention to pay; and if he will make a statement.

Mr. Mellor: My right hon. and learned Friend will, of course, study the House of Lords ruling in the particular case with interest. We have no evidence to suggest that, in general, those offering services requiring payment on the spot are not properly protected from dishonest actions by the Theft Acts.

TRANSPORT

Coaches

Mr. Favell asked the Secretary of State for Transport how many new coaches were registered in the United Kingdom in 1974 and 1984; and what percentage of coaches newly registered were *(a)* manufactured and *(b)* produced in the United Kingdom.

Mr. Michael Spicer: According to figures supplied by the Society of Motor Manufacturers and Traders, in 1974 5,341 buses and coaches were newly registered in this country. 98 per cent. of these were largely of British manufacture. Comparable figures for 1984 are 3,379 and 77 per cent. Separate figures for coaches are not available.

Railway Carriages (Wheelchairs)

Mr. Sackville asked the Secretary of State for Transport what information he has as to the percentage of British Rail passenger carriages which are currently equipped to accommodate wheelchairs; and what plans there are for future provision of such carriages.

Mr. David Mitchell: I understand from British Rail that the proportion of rolling stock on inter-city services with accommodation for wheelchair-bound persons is currently about 60 per cent., but is expected to rise to 90 per cent. by the end of 1987. British Rail estimates that about 19 per cent. of provincial sector rolling stock and 15 per cent. of London and south-east sector stock is equipped to carry wheelchair-bound passengers; these figures will rise as new sliding-door rolling stock is introduced, or existing stock refurbished.

EDUCATION AND SCIENCE

Commonwealth Education Ministers (Nicosia Meeting)

Mr. Alton asked the Secretary of State for Education and Science if he will make a statement on the implementation of the objectives agreed at Nicosia in July 1984 by the Commonwealth Education Ministers.

Mr. Brooke: The Commonwealth Secretariat is pursuing the studies and activities agreed in Nicosia on resources for education, youth unemployment and student mobility. The Commonwealth Standing Committee on Student Mobility is expected to issue a further report before Commonwealth Education Ministers meet again in October this year. In this connection, the new scholarship scheme announced on 3 June at columns 9-10 by my right hon. Friend the Minister for Overseas Development will foster student mobility within the Commonwealth, as advocated by Ministers in Nicosia.

Pupil-Teacher Ratio

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science if he will publish the latest pupil-teacher ratio for England, excluding head teachers.

Mr. Dunn: The overall pupil-teacher ratio in maintained nursery, primary and secondary schools in January 1984 was 17·9. If head teachers are excluded, exceptionally, from the calculation it is estimated that a ratio of 19·1 is produced for January 1984.

School Buildings (Maintenance and Repair)

Mr. Pike asked the Secretary of State for Education and Science whether he is satisfied with the level of resources available to local education authorities to maintain and repair school buildings.

Mr. Dunn: It is for local authorities to decide, within the overall resources available to them, their own levels of expenditure on the maintenance and repair of school buildings.

School Meals

Mr. Pike asked the Secretary of State for Education and Science if he will give the figure of school children in receipt of free school meals for the latest month for which figures are available and give the comparative figure for the same month in 1979.

Mr. Dunn: I refer the hon. Member to the reply I gave to the hon. Member for Holborn and St. Pancras (Mr. Dobson) on Tuesday 11 June, at column 426. The figures requested are collected annually in October in the school meals census.

Students (Travel Grants)

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what sums were paid out in additional travel grants to students in higher education for each of the past five years for which they were available.

Mr. Brooke: The information relates to local authority expenditure on excess travel allowance in England and Wales. It covers full-value mandatory and discretionary awards up to, and including, 1982-83, but information for 1983-84 relates to mandatory awards only.

	£ million
1979-80	16·9
1980-81	21·0
1981-82	21·1
1982-83	26·2
1983-84	23·8

Sandwich Courses

Mr. Shersby asked the Secretary of State for Education and Science what progress has been made by the steering committee on research into sandwich education; and if he will make a statement.

Sir Keith Joseph: The report of the steering committee on the programme of research into sandwich education was published today. Copies of the report have been placed in the Libraries of both Houses. As was announced in the Green Paper "The Development of Higher Education in the 1990s" (Cmnd. 9524), the Government propose to consult the relevant advisory bodies about the report's conclusions and will look to them in particular to offer guidance on means of ensuring that sandwich courses justify their extra cost.

TRADE AND INDUSTRY

Estate Agents

Mr. John Fraser asked the Secretary of State for Trade and Industry in how many cases banning orders have been made against estate agents under the Estate Agents Act 1979 following the bankruptcy or the misconduct of an estate agent.

Mr. Fletcher: This is a matter for the Director General of Fair Trading. I have been in touch with him and he will write to the hon. Member shortly.

Industrial Development Unit

Mr. Ashdown asked the Secretary of State for Trade and Industry what percentage of the executive officials currently in the industrial development unit of his Department are seconded from the private sector of industry.

Mr. Butcher: Sixty per cent. of the current members of the Department's industrial development unit with executive responsibilities are seconded from the private sector. The 12 secondees provide the bulk of the team that appraises usually the larger applications for selective financial assistance, and gives other financial advice to the Department. The rest of the unit is staffed with permanent officials, responsible for such matters as the avoidance of conflicts of interest among the secondees and members of the Industrial Development Advisory Board, the proper conduct of the unit's business, and policy matters. Seconded members of the unit provide the Department with commercial experience and professional skills of a high order not usually to be found among permanent officials. Offers of financial assistance are the responsibility of Ministers, and letters offering assistance are invariably signed by permanent officials with proper delegated authority who are fully accountable for their content.

Mr. Ashdown asked the Secretary of State for Trade and Industry what percentage of the executive officials currently in the industrial development unit of his Department have been seconded from firms or organisations which have, in the last six years received section 7 and 8 grants for industry.

Mr. Butcher: Of the 21 current members of the Department's industrial development unit with executive responsibilities, three individuals have been seconded from two private sector organisations which have received offers of selective financial assistance totalling £1·3 million in the past six financial years under sections 7 and 8 of the Industrial Development Act 1982 and its predecessor legislation. £1,423 million of such assistance has been offered in total over the same period.

Knitwear

Mr. Stewart asked the Secretary of State for Trade and Industry what protection exists at present against imports of knitwear into the United Kingdom.

Mr. Trippier: The European Community has negotiated textile agreements within the framework of the multi-fibre arrangement with 27 low-cost suppliers. These include numerous quotas on imports of knitwear (as well as textiles and woven clothing) into individual member states and also provide for the introduction of new quotas when appropriate. A similar arrangement is applied to Taiwan, and other autonomous arrangements are applied to certain state trading countries. The Community has also negotiated voluntary restraint arrangements with several of its preferential trading partners; five of these cover imports of knitwear.

Product Liability

Sir Dudley Smith asked the Secretary of State for Trade and Industry what position has been reached in negotiations over the formulation of a European Economic Community directive on product liability; what is the policy of Her Majesty's Government towards this matter; and if he will make a statement.

Mr. Fletcher: Discussions are currently taking place between experts to resolve certain remaining points of detail on the draft directive; we hope that these points will be resolved quickly and that we will be in a position to adopt the directive soon. We are in favour of this directive and, in the interests of making progress on a subject which has been under discussion in Brussels for nearly 10 years, we are negotiating constructively on the proposed compromise solution.

This compromise solution is for a directive which introduces the concept of strict liability for defective products throughout the Community, with a development risks defence but no financial limit. Individual member states would be permitted to derogate on both these last points (subject to certain limitations), and there would be a review after a transitional period to assess the effects of these derogations.

International Tropical Timber Organisation

Mr. Knox asked the Secretary of State for Trade and Industry (1) whether he will now agree to offer financial inducements to locate the headquarter's organisation of the newly created tropical timber agreement in London, comparable to those made by the Governments of Belgium, France, Greece, Idonesia, Japan and the Netherlands; and if he will make a statement;

(2) whether he will consider making a voluntary contribution to the organisation of the tropical timber agreement headquarters if it agrees to situate itself in London; and if he will make a statement.

Mr. Trippier: No. The Government are not prepared to offer the International Tropical Timber Organisation better arrangements than those which have been made for the international commodity organisations whose headquarters are already in London.

Gas and Electricity (Resale)

Mr. Anderson asked the Secretary of State for Trade and Industry if he will make it his policy to respond substantively to the Director General of Fair Trading's report on the re-selling of gas and electricity by landlords before the end of this Session.

Mr. Fletcher: The Government are currently considering the Director General's report "Resale of Electricity by Landlords" and will respond as soon as practical.

Japan (Ministerial Visit)

Sir Dudley Smith asked the Secretary of State for Trade and Industry what were the purposes of the recent visit paid by the Minister for Information Technology to Japan; what progress was achieved; and if he will make a statement.

Mr. Pattie: I visited Japan to attend the British National Day at the Tsukuba science and technology exhibition and to give the keynote speech at a "Britain Means Business" seminar to promote inward investment. In addition, I had meetings with several Japanese Ministers and emphasised our concern that the market should be more accessible to imports.

BT Shares

Mr. Gould asked the Secretary of State for Trade and Industry further to the answer of 13 June, *Official Report*, column *499-500*, what steps he has taken to satisfy himself that no city firm made allocations of British Telecom shares to individual employees in amounts greater than the limit of 800 shares applied to ordinary investors.

Mr. Butcher: I shall reply to the hon. Member as soon as possible.

WALES

Nursery Education

Mr. Geraint Howells asked the Secretary of State for Wales how many children under the age of five years in Wales receive nursery education; what were the corresponding figures for the last 10 years; and if he will make a statement.

Mr. John Stradling Thomas: The information on pupils aged under five years in maintained nursery schools, for the years 1974 to 1984, is as follows:

	Under five's in maintained nursery schools*		
At January each year	*Full-time*	*Part-time*	*Total*
1974	1,513	2,787	4,300
1975	1,476	2,975	4,451
1976	1,608	2,887	4,495
1977	1,722	2,720	4,442
1978	1,767	2,790	4,557
1979	1,800	2,785	4,585
1980	1,692	2,624	4,316
1981	1,594	2,591	4,185
1982	1,464	2,654	4,118
1983	1,467	2,856	4,323
1984	1,460	2,962	4,422

* Aged as 31 December.

Information on pupils in nursery classes in maintained primary schools, which is available from 1980, is as follows:

	Pupils in nursery classes in maintained primary schools		
At January each year	*Full-time*	*Part-time*	*Total*
1980	6,323	10,199	16,522
1981	5,936	10,384	16,320
1982	6,127	11,412	17,539
1983	5,969	12,625	18,594
1984	6,110	13,694	19,804

ENERGY

Civil Nuclear Power Installations

Mr. Ashdown asked the Secretary of State for Energy if he will list the civil nuclear power installations that have been *(a)* decommissioned and *(b)* completely dismantled; and if he will make a statement.

Mr. Goodlad: I refer the hon. Member to the answer which my hon. Friend the Member for Croydon, Central (Mr. Moore) gave to the hon. Member for Kilmarnock and Loudoun (Mr. McKelvey) on 31 March 1983 at column *262*. There have been no recent developments.

National Coal Board

Mr. Portillo asked the Secretary of State for Energy whether assurances about Government financial support for the National Coal Board, as set out in his answer of 11 July 1983, *Official Report*, column 225, to the hon. Member for Tatton, will apply in similar terms to 1985-86.

Mr. Peter Walker: One fundamental objective of the National Coal Board must be to earn a satisfactory return on its assets in real terms after the payment of social grants. To this end the board is planning to attain break-even on revenue account by 1987-88. In the short term, however, I can confirm that subject to Parliament's approving the necessary provisions, the Government will continue to make available funds to enable the NCB to meet its obligations as they fall due during the board's current financial year to 29 March 1986.

NORTHERN IRELAND

Royal Victoria Hospital, Belfast

Mr. Beggs asked the Secretary of State for Northern Ireland how many engineers, technical staff, and so on, were employed in the maintenance of buildings in the year ended March 1975 at the Royal Victoria hospital, Belfast; and how many are currently so employed.

Mr. Chris Patten: The figures are not available in the form requested. At 31 December 1974, 92 engineers and technical staff were employed in the former north and west Belfast district which included other hospital facilities in addition to the Royal Victoria hospital. The current figure for the Royal Group of Hospitals, which includes the Royal Victoria hospital, is 123.

Mr. Beggs asked the Secretary of State for Northern Ireland what was the extent of additional buildings provided at the Royal Victoria hospital, Belfast, between April 1975 and April 1985, expressed as a percentage of total accommodation.

Mr. Chris Patten: Seven per cent. However, some 13,000 sq m of additional accommodation have been provided to serve the Royal Victoria hospital, the Royal Belfast hospital for sick children and the Royal maternity hospital which are all located on the Grosvenor road site.

Children (Heart Disorders)

Mr. Hume asked the Secretary of State for Northern Ireland if he will make a statement on current provision for children suffering from heart disorders under the National Health Service in Northern Ireland.

Mr. Chris Patten: Paediatric cardiology is a regional specialty based at the Royal Belfast hospital for sick children. A consultant paediatric cardiologist supported by a registrar in paediatrics provides specialist care for children with heart disorders. Two cardiac surgeons at the Royal Victoria hospital provide cardiac surgery services for children who require heart operations.

Paediatric Cardiology

Mr. Hume asked the Secretary of State for Northern Ireland (1) if he will make a statement detailing the resources committed to paediatric cardiology in Northern Ireland;

(2) if he will give consideration to proposals to appoint a second paediatric cardiologist to serve the needs of children in Northern Ireland who have heart abnormalities.

Mr. Chris Patten: The information requested is not held centrally and could be obtained only at disproportionate cost. My Department, in consultation with the four health and social servies boards, is giving consideration to the proposal that a second paediatric cardiologist should be appointed.

Mr. Hume asked the Secretary of State for Northern Ireland, if he will make a statement detailing how many patients are currently being treated or examined by the paediatric cardiologist in Northern Ireland; and how many patients are awaiting such attention.

Mr. Chris Patten: In 1984, 350 patients received treatment in hospital and 1,442, of whom 242 were new, were examined at outpatients clinics; 162 patients are awaiting such attention.

Mr. Hume asked the Secretary of State for Northern Ireland if he will make a statement detailing the equipment available for use in Northern Ireland by a paediatric cardiologist; and what staff complement would be required to ensure optimum use of this equipment.

Mr. Chris Patten: A full range of diagnostic equipment is available for paediatric cardiology and is fully utilised.

Health and Social Services Boards (Accounts)

Mr. A. Cecil Walker asked the Secretary of State for Northern Ireland if he will place in the Library a copy of the full accounts of the health and social services boards in Northern Ireland for 1983-84, together with copies of the auditors' reports.

Mr. Chris Patten: No. A summary of board accounts is presented annually to Parliament, and those for 1983-84 were presented on 5 June as Cmnd. 9523. The auditor's report is presented to the Department and is available to the Comptroller and Auditor-General, who reports to Parliament on the summary of accounts.

Civil Service Manpower

Mr. Michael Brown asked the Secretary of State for Northern Ireland what decisions he has taken about Northern Ireland Civil Service manpower after April 1985.

Mr. Hurd: I have reviewed manpower requirements of Northern Ireland Departments up to 1988 and decided on the following targets:

1 April 1986—25,150
1 April 1987—24,800
1 April 1988—24,550

The aim has been and continues to be the improvement of the Civil Service and to match staff numbers closely to the necessary function of Departments. A small contingency margin has been included to give a measure of flexibility in planning; the figures will be revised each year as part of the regular expenditure survey to take account of changing work load and other developments.

Student Awards

Mr. Hume asked the Secretary of State for Northern Ireland if he will make a statement outlining the number of discretionary awards allocated by each of the education and library boards and his Department for the current academic year indicating the numbers of higher value and lower value awards, the numbers of minimum and maximum awards, the numbers of living at home and living away from home awards, the numbers of applications for awards, and the total amount allocated by each awarding agency.

Mr. Scott [*pursuant to his reply*, 4 June 1985, c. *140*]: At undergraduate level the Department is responsible only for teacher training awards. Education and library boards are responsible for discretionary awards.

The information requested is as follows:

Education and Library Board

	Belfast	*North-Eastern*	*Southern*	*South-Eastern*	*Western*	*Totals*
Total number of Discretionary awards made in 1984-85 academic year (A)	395	455	316	382	388	1,936
Of (A) the number which are full value awards	218	219	188	246	181	1,052
Of (A) the number which are lesser value awards	177	236	128	136	207	884
Of (A) the number which are maximum awards	169	273	224	78	265	1,009
Of (A) the number which are minimum awards	68	50	31	49	22	220
Of (A) the number which are living at home awards	202	145	93	227	119	786
Of (A) the number which are living away from home awards	193	310	223	155	269	1,150
Total Budget for discretionary awards for financial year ended 31 March 1985	£510,000	£714,000	£571,000	£515,000	£632,000	£2,942,000

NB: Statistics on the number of applications are not collated.

Housing Executive

Mr. A. Cecil Walker asked the Secretary of State for Northern Ireland if he will detail the measures which have been introduced by the Housing Executive to avoid the recurrence of overpayments to contractors.

Mr. Chris Patten [*pursuant to his reply*, 12 June 1985, c. *477*]: I am advised by the chairman of the Housing Executive that the executive's policy, practice and procedures relating to all contract matters were set out in a detailed contracts code which is currently being revised. In addition, the Housing Executive has introduced and developed a financial monitor system which compares actual payments to planned expenditure. Also a computerised contracts register is at an advanced stage of design. It will record all payments made to all contractors against a planned financial profile and compare payments to physical completions. This system will highlight, at an early date, variations from planned physical and/or financial profiles and enable remedial action, where necessary, to be taken.

Mr. A. Cecil Walker asked the Secretary of State for Northern Ireland whether the total extra costs to the Housing Executive, resulting from the liquidation of the firm involved in the overpayment investigated by the Local Government Auditor, have been computed; and what advice his Department has given to the Housing Executive about the avoidance of a recurrence of similar cases in the future.

Mr. Chris Patten [*pursuant to his reply*, 12 June 1985, c. *477*]: I am advised by the chairman of the Housing Executive that the total costs have not yet been fully ascertained as the matter is still under active examination. The Department of the Environment (Northern Ireland) has discussed the particular case with the Housing Executive and the need generally to ensure that similar cases are avoided in the future. Appropriate procedures and controls have been developed and the Department has been assured that they have been implemented.

Mr. A. Cecil Walker asked the Secretary of State for Northern Ireland what procedures have now been laid down by the Housing Executive to avoid losses due to solicitors withholding proceeds of sales, bankruptcy or deaths of individuals involved in transactions.

Mr. Chris Patten [*pursuant to his reply*, 12 June 1985, c. *477*]: This is a matter for the chairman of the Housing Executive who has advised me that procedures have recently been reviewed and the following measures are now being implemented:

(a) when notified that a sale is about to be completed, the executive will request that the tenant's solicitor immediately transfer the proceeds from the sale;

(b) the financial transaction will be by banker's order to guard against default by the executive's solicitor;

(c) the possibility of having the banker's order made payable directly to the executive will be explored with the Law Society as an additional safeguard against default by the executive's solicitor;

(d) on notification by the Law Society that a solicitor's affairs are not in order, or that a solicitor has died, the executive will immediately institute proceedings to recover any proceeds from uncompleted sales.

I understand from the Local Government Auditor that these procedures should preclude any losses due to a solicitor's bankruptcy.

Mr. A. Cecil Walker asked the Secretary of State for Northern Ireland what progress has been made by the Housing Executive towards reconciliation of the amount of rates collectable with payment actually made to the rating authority for 1981-82 and 1982-83 in respect of the Belfast region.

Mr. Chris Patten [*pursuant to his reply*, 12 June 1985, c. *477*]: This is a matter for the Northern Ireland Housing Executive, but I am informed that a small group set up within the rates control section is concentrating solely on the reconciliation and it is anticipated that the exercise will be completed within the current financial year 1985-86.

Mr. A. Cecil Walker asked the Secretary of State for Northern Ireland how many posts are vacant in the claims management section of the Northern Ireland Housing Executive; and what difficulties are being experienced in filling these posts.

Mr. Chris Patten [*pursuant to his reply*, 12 June 1985, c. *477*]: This is a matter for the Northern Ireland Housing

Executive, However, I am informed that there is one professional post vacant within the claims management section. Internal and external recruitment measures have been unsuccessful in attracting suitable applicants with the necessary experience in this type of work and cover is provided by secondments from within the executive.

Terrorism (Explosive Materials)

Mr. William Ross asked the Secretary of State for Northern Ireland what weight of explosive material, believed to be in the possession of a terrorist organisation, was seized by the security forces in Northern Ireland in each month since 1 January 1983 to the latest convenient date; and of that explosive material how much was of commercial origin and how much home made.

Mr. Scott [*pursuant to his reply*, 12 June 1985, c. *479*] The information is as follows:

Weight of Explosives in kilograms recovered by the security forces in Northern Ireland

	Improvised	*Commercial*	*Not Known*
1983			
January	342·67	10·50	—
February	659·70	1·00	1·55
March	145·12	17·13	0·06
April	593·00	3·15	1·00
May	723·50	2·50	—
June	548·15	3·00	—
July	392·90	0·68	0·06
August	180·75	10·60	—
September	937·04	0·17	—
October	191·09	7·00	—
November	21·05	2·60	—
December	314·10	—	—
Total	5,049·07	58·33	2·67
1984			
January	431·90	1·00	—
February	455·80	5·14	—
March	820·10	8·10	—
April	500·21	—	—
May	2,545·80	5·75	—
June	60·16	13·90	—
July	202·70	7·56	—
August	64·26	0·06	1·00
September	130·50	9·00	—
October	423·50	17·00	—
November	0·10	4·50	—
December	935·02	1·56	—
Total	6,570·05	73·57	1·00
1985			
January	230·10	0·10	—
February	41·00	0·24	0·60
March	15·00	5·50	15·00
April	1,094·00	4·25	—
May	633·23	6·43	—
Total	2,013·33	16·52	15·60

Hospital Nursing Provision

Rev. Martin Smyth asked the Secretary of State for Northern Ireland how many hospital beds and qualified nurses there are in Northern Ireland per head of population.

Mr. Chris Patten [*pursuant to his reply*, 17 June 1985, c. *39*]: In 1983, the last year for which figures are available, the information in respect of hospital beds was as follows:

	Number	*Number per 1,000 of the population*
General Hospitals	10,965	7·0
Mental Illness Hospitals	4,513	2·9
Mental Handicap Hospitals	1,501	1·0
All Hospitals	16,979	10·8

In the same year, the information in respect of qualified nurses was as follows:

Number	*Number per 1,000 of the population*	
Hospital Nurses	12,419	7·9
Community Nurses	1,927	1·2
	14,346	9·1

FOREIGN AND COMMONWEALTH AFFAIRS

Rudolf Hess

Mr. Nicholls asked the Secretary of State for Foreign and Commonwealth Affairs when he next plans to make representations to the Soviet Government about the release from Spandau prison of Rudolf Hess; and if he will make a statement.

Mr. Renton: We shall take further action in consultation with our French and American allies when there is some prospect that the Soviet authorities will respond positively; that is sadly not the case at present.

Arab-Israeli Dispute

Mr. Thurnham asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on recent developments in the search for a solution to the Arab-Israeli dispute.

Mr. Luce: We remain convinced that a just and lasting settlement of the Arab-Israel dispute, arrived at by peaceful negotiation, is overwhelmingly in the interests of all the parties and of the international community as a whole. We therefore fully support King Hussein's current initiative, and also welcome the ideas put forward by the Israeli Prime Minister on 10 June. We maintain a close dialogue with the parties, with whom the prime responsibility for action must lie. As part of this process we recently welcomed in London King Hussein of Jordan and Deputy Prime Minister Shamir of Israel. We are also keeping in close touch with our partners in the European Community, and with the United States, on this important subject.

Commonwealth Higher Education Unit

Mr. Alton asked the Secretary of State for Foreign and Commonwealth Affairs whether he will propose the creation of a Commonwealth higher education unit with his opposite numbers from Commonwealth countries when he next meets them.

Mr. Renton: A Commonwealth higher education unit was established in August 1984 by the Commonwealth Secretariat and it is likely that its work will be discussed by Commonwealth Education Ministers when they meet in Sofia on the eve of the UNESCO general conference this October.

Diplomatic Relations

Mr. John David Taylor asked the Secretary of State for Foreign and Commonwealth Affairs if he will list the names of those states and territories which are either not officially recognised by the United Kingdom or with which Her Majesty's Government does not have diplomatic relations.

Mr. Renton: We do not have diplomatic relations with the following states:

The People's Socialist Republic of Albania
The Argentine Republic
Cambodia
The Republic of Guatemala
Libya

We do not have diplomatic relations with the kingdom of Bhutan but maintain friendly contacts and conduct official business with its embassy in New Delhi.

We have only consular relations with the following states:

Andorra
San Marino
Monaco
Liechtenstein

The following, among others, are sometimes referred to as independent sovereign states but are not recognised as such by Her Majesty's Government:

North Korea
Taiwan
Turkish Republic of Northern Cyprus
Transkei or any of the other Black Homelands established in South Africa

Foreign Nationals

Mr. Peter Bruinvels asked the Secretary of State for Foreign and Commonwealth Affairs what information he has as to the number of foreign nationals, including diplomats and other foreign representatives currently residing within the United Kingdom; if he will give the comparative figures for each of the past five years; and if he will make a statement.

Mr. Renton: In my reply of 26 March, at columns *65-74*, I gave my hon. Friend details of the number of diplomats residing with the United Kingdom in the past five years.

Information on the number of foreign nationals in the United Kingdom is a matter for my right hon. and learned Friend the Secretary of State for the Home Department.

Women (Discrimination)

Mrs. Virginia Bottomley asked the Secretary of State for Foreign and Commonwealth Affairs whether the Government intend to ratify the United Nations convention on the elimination of all forms of discrimination against women.

Mr. Renton: The Government have decided to ratify this convention. Our ratification will be accompanied by various declarations and reservations. We do not envisage that it will be necessary to make changes to United Kingdom legislation to enable the United Kingdom to ratify. Before our instrument of ratification can be deposited, we have to consult the Dependent Territories, the Channel Islands and the Isle of Man to ascertain whether they wish to be included in our ratification, and, if so, with what declarations and reservations. We are now doing this. I have arranged to have copies of our declarations and reservations placed in the Libraries of both Houses.

ENVIRONMENT

Population Projections

Mr. Cartwright asked the Secretary of State for the Environment whether the 1983 based population projections for England currently being prepared by the Office of Population, Censuses and Surveys will be used for the production of a revised series of households forecasts for England, the regions and counties.

Sir George Young: The 1983-based population projections to be published by the OPCS will be used by the Department to calculate the next set of household projections superseding the 1981-based estimates.

Housing Improvements and Repairs

Mr. Colvin asked the Secretary of State for the Environment if, in the light of the Green Paper on housing improvements and repairs, he will now permit housing authorities to invest all receipts from sales of council housing on new building and home improvements without central Government control.

Sir George Young: The measures taken by the Government to reduce the rate at which capital receipts can be used in the present financial year were necessary to lessen the risk of local authority capital spending exceeding planned levels. My right hon. Friend has no plans to remove this control.

Nuclear Waste (Humberside)

Dr. Cunningham asked the Secretary of State for the Environment if there are any site investigations proposed, or currently being undertaken, with a view to the possible storage of low, intermediate or high-level nuclear waste at Killingholme, Humberside.

Mr. Patrick Jenkin: No site investigations are proposed or are being undertaken in connection with the storage of nuclear waste at Killingholme, Humberside. So far as the development of disposal facilities is concerned, I would refer the hon. Member to the reply I gave the hon. Member for Yeovil (Mr. Ashdown) on 25 April, at column 548.

Local Authority Housing

Mr. Colvin asked the Secretary of State for the Environment what has been the total capital investment in local authority housing during the period April 1979 to December 1984, and the expenditure on local authority grants for repairs and improvements for the same period.

Sir George Young: During the period April 1979 to December 1984 housing capital investment in land, new dwellings, acquisitions and renovation by local authorities totalled £9,689 million and expenditure on home improvement grants amounted to £2,342 million.

Ground Rents

Mr. Loyden asked the Secretary of State for the Environment what representations he has received from owner-occupiers about companies taking over the ownership of their ground rent; and if he will make a statement.

Sir George Young: My right hon. Friend has received representations from time to time from some owner-occupiers when the reversionary interest in their homes has changed hands. Most long leaseholders living in houses are entitled to acquire the freehold under the terms of the Leasehold Reform Act 1967. The management problems of people living in flats are being considered by the committee which my hon. Friend the Minister for Housing and Construction set up under the chairmanship of Mr. Edward Nugee QC.

Urban Programme (Waltham Forest)

Mr. Deakins asked the Secretary of State for the Environment, pursuant to the answer of 20 May, *Official Report*, column *392*, if he will now state the increase in spending on the urban programme in the London Borough of Waltham Forest since 1979 in real terms.

Sir George Young: The increase in the London borough of Waltham Forest's urban programme allocation since 1979 is the same in real terms as in cost terms, that is 51 per cent.

Cartmel and Furness Local Plan

Mr. Franks asked the Secretary of State for the Environment if he will order a public inquiry into the Cartmel and Furness local plan prepared by the planning department of the South Lakeland district council.

Mr. Macfarlane: No. When the South Lakeland district council begins formal procedures for the adoption of the plan it will put copies of it on deposit and invite objections. Objectors will have a right to be heard at a public inquiry taken by an inspector appointed by my right hon. Friend the Secretary of State for the Environment, but reporting to the district council.

Homeless Persons

Sir David Price asked the Secretary of State for the Environment what is his latest estimate of the number of people in England who are homeless; and how many are in families with children, married couples and single people, respectively.

Mr. Gow: During the second half of 1984 the total number of households who, after due inquiry, were found by local authorities to be homeless amounted to some 65,000, of whom about two thirds had accommodation secured for them. My Department does not collect information on the size or marital status of these households.

Water Supply, Rawmarsh

Mr. Hardy asked the Secretary of State for the Environment if, when he next meets the chairman of the Yorkshire water authority, he will discuss the level of water supply in parts of Rawmarsh.

Mr. Macfarlane: The day-to-day management of the supply and distribution system is the responsibility of the water authority, to which any questions should be referred.

Mr. Hardy asked the Secretary of State for the Environment (1) what is the nature of the contamination of Roundwood brook in Rawmarsh in the Wentworth constituency;

(2) if, when he next meets the chairman of the Yorkshire water authority, he will discuss with him the problem and the nuisance arising from the contaminated condition of Roundwood brook in Rawmarsh near Rotherham;

(3) if, when he next meets the chairman of the Yorkshire water authority, he will discuss the sewerage arrangements in the Walker street and Claypit lane areas of Rawmarsh near Rotherham.

Mr. Macfarlane: The contamination of the Roundwood brook is due to occasional discharges of sewerage effluent in periods of heavy rainfall which can overload the sewer capacity. The Yorkshire water authority has planned a major project to improve the situation.

This is a local problem and is therefore appropriate for discussion and consultation at that level.

Toxteth Disturbances (Compensation)

Mr. Parry asked the Secretary of State for the Environment what criteria is being used in the settling of claims for compensation arising from the Toxteth disturbances in 1981.

Mr. Patrick Jenkin: The Merseyside county council was responsible under the Riot Damages Act 1886 for settling compensation claims arising from the disturbances in Toxteth and other areas of Merseyside in 1981. Claims were settled in accordance with the provisions of the 1886 Act, which provide for compensation for loss or damage to houses, shops, buildings and their contents arising from a riot. They do not provide compensation for loss of earnings or business or when a riot was not deemed to have taken place.

Mr. Parry asked the Secretary of State for the Environment how many claims for compensation were made following the Toxteth disturbances in Liverpool in 1981; how many have been settled; and how many are outstanding at the latest date.

Mr. Patrick Jenkin: Following the Toxteth disturbances in 1981, the Merseyside county council, as statutory compensating authority, received 723 claims for compensation. Of those received, 12 claims remain to be settled, including seven where the claimants have not pursued their claims either following an offer by the county council or where contact has been lost with the claimant.

Mr. Parry asked the Secretary of State for the Environment if claimants for compensation for property damaged or destroyed in the Toxteth disturbances in 1981 which are still awaiting settlement will receive interest when the claims are settled.

Mr. Patrick Jenkin: Merseyside county council is responsible under the Riot Damages Act 1886 for settling outstanding compensation claims following the disturbances in Toxteth in 1981. Details of individual

settlements are confidential to the county and the claimants. However, the 1886 Act does not provide for the payment of interest and when claims are settled there are no other statutes under which it may be paid in respect of riot damages.

Radioactivity

Mr. Adley asked the Secretary of State for the Environment, pursuant to his answer to the hon. Member for Christchurch on 7 June, *Official Report*, columns 271-72, if he will indicate the levels of radioactivity in the following places, using as a measuring point of 100 the gamma radiation dose rates of 964 microgray per year at national grid 10 km square SX66 indicated in his answer referred to as having the highest gamma radiation dose in England and Wales; Dounreay, Windscale, Springfields, Culcheth, Culham, Harwell, Winfrith, Torness, Hunterston, Hartlepool, Heysham, Wylfa, Trawsfynydd, Sizewell, Bradwell, Dungeness, Berkeley, Oldbury and Hinkley Point.

Mr. Gow: Comparable measurements to those reported in the answer given by my hon. Friend the Member for Bristol, West (Mr. Waldegrave) on 7 June have been made throughout Great Britain by the National Radiological Protection Board. The values for the 10 km national grid squares in which the places named are situated (or neighbouring squares when this measurement is not available), expressed as a percentage of the gamma dose rate measured at national grid square SX66, are as follows:

National grid 10 km square	*Location*	*Dose rate as percentage of 964 micrograys/ year*
NC 96*	Dounreay	32
NY 00	Windscale	38
SD 43	Springfields	26
SJ 69	Culcheth	24
SU 59	Culham	23
SU 48	Harwell	19
SY 88	Winfrith	12
NT 77*	Torness	36
NS 15*	Hunterston	17
NZ 52	Hartlepool	36
SD 45	Heysham	29
SH 39	Wylfa	30
SH 63	Trawsfynydd	17
TM 46	Sizewell	30
TM 00	Bradwell	29
TR 01*	Dungeness	20
ST 69	Berkeley	32
ST 69	Oldbury	32
ST 24	Hinkley Point	40

*No values available for these grid squares, values given are based on those for neighbouring squares.

DEFENCE

Royal Ordnance Factory, Cardiff

Mr. Rogers asked the Secretary of State for Defence what are the arrangements for the disposal of radioactive contaminated beryllium waste at the Royal Ordnance factory, Cardiff.

Mr. Butler: No radioactive contaminated beryllium waste is produced or disposed of at the Royal Ordnance factory, Cardiff.

RAF Cottesmore

Mr. Latham asked the Secretary of State for Defence (1) what was the number of Tornado movements in and out of Royal Air Force Cottesmore during the noise survey period in September 1983; and what were the average movement figures for the two weeks on either side of the survey;

(2) on what date or dates in September 1983 staff from his Department took noise readings in the vicinity of RAF Cottesmore; how many staff were involved; how many actual readings were taken; and in which specific villages around the perimeter of the base the readings were carried out;

(3) what the highest decibel level recorded in his Department's noise survey at RAF Cottesmore in September 1983 in each of the surrounding villages which were visited by his Department's investigators.

Mr. Lee: In view of the highly technical nature of the information requested, my noble Friend the Parliamentary Under-Secretary of State for the Armed Forces will arrange for my hon. Friend to discuss the matter with the experts concerned.

Mr. Latham asked the Secretary of State for Defence at what point in the movement of a Tornado aircraft during his Department's investigators' noise survey at RAF Cottesmore the recording machine was *(a)* switched on and *(b)* switched off.

Mr. Lee: During all my Department's noise surveys of aircraft noise around airfields, the field measurement teams are kept informed of all aircraft movements by radio from a team member situated in the airfield control tower. The measurement teams will commence recording either when informed from the control tower of the commencement of the next movement, or when the sound of the aircraft increases above the background level. The tape recorder is switched off when the sound has dropped to the background level.

Property Purchases

Mr. Latham asked the Secretary of State for Defence how many domestic properties have been purchased by his Department in the last four years because of excessive noise from military aircraft; and in what locations.

Mr. Lee: My Department made offers in 1983 to purchase three dwellings in the village of Speckington, Somerset due to noise from military aircraft at RNAS Yeovilton. Purchase of one is complete; the remaining two are still under negotiation.

European Fighter Aircraft

Mr. Robert Atkins asked the Secretary of State for Defence if he will make a statement on the European fighter aircraft.

Sir Edward Gardner asked the Secretary of State for Defence if he will make a statement on the conclusions reached during the talks which ended on 18 June about the future development of the European fighter aircraft.

Mr. Heseltine: I met my colleagues from the Federal Republic of Germany, France, Italy and Spain in London on 17 and 18 June to review progress on the proposed European fighter aircraft programme. We had an

extremely thorough discussion of the issues involved, drawing on the industrial studies commissioned at the last ministerial meeting in Rome on 16 May. As a result we were able to narrow the options on characteristics of the aircraft to an extent that we were able to give further instructions to industry jointly to finalise the feasibility studies by mid-July. On the basis of this further advice, it is then the intention to take a decision on whether the nations participating in the studies are able to enter project definition for a new European fighter aircraft.

Molesworth Cruise Missile Base

Mr. D. E. Thomas asked the Secretary of State for Defence if he will place a copy of the Property Services Agency map of Molesworth cruise missile base in the Library.

Mr. Lee [*pursuant to his reply*, 17 June 1985, c. 39]: Yes. I have today arranged for a copy of the byelaws relating to RAF Molesworth, which contains a plan of the protected area, to be placed in the Library.

Laboratories (Research Budgets)

Mr. Warren asked the Secretary of State for Defence which laboratories within his Department, or within bodies for which he is responsible, have had their research budgets reduced in this financial year; what is the financial value of the reduction; what is this figure expressed as a percentage of the total work carried out in the laboratory; and which of the laboratories for which he is responsible are being considered for privatisation.

Mr. Butler [*pursuant to his reply*, 18 June 1985]: It is not our practice to publish the financial allocations made to individual research establishments; but the priorities which determine the allocations of funds between different technologies and programmes vary from year to year. The overall defence research budget for 1985-86 is £383 million, or some 3 per cent. greater than the 1984-85 budget of £371 million. As regards the last part of my hon. Friends's question, the evaluation of research and project support reqirements and how they are met is a continuing process.

AGRICULTURE, FISHERIES AND FOOD

Food Products (Shelf Life)

Mr. Beggs asked the Minister of Agriculture, Fisheries and Food if he will consider introducing new legislation to relax existing legislation to enable food manufacturers in the United Kingdom to extend the shelf life of products.

Mrs. Fenner: I am always prepared to consider specific proposals for changes to the regulations.

Coast Protection (Hengistbury Head)

Mr. David Atkinson asked the Minister of Agriculture, Fisheries and Food when he expects to make a decision on the application by Bournemouth borough council for grant-aid for coastal protection works at Hengistbury Head.

Mrs. Fenner: My Department is discussing the proposals with Bournemouth borough council and a decision will be annouced as soon as possible.

Grazing Livestock

Mr. Thurnham asked the Minister of Agriculture, Fisheries and Food what he anticipates will be the effect of the agriculture price review on the grazing livestock sector.

Mr. MacGregor: As my right hon. Friend made clear to the House on 20 May, the price-fixing settlement included various decisions which will benefit the grazing livestock sector, most of which was due to United Kingdom pressure. Amongst these were an increase in the level of support for milk, improvements to the operation of the quota system and a reduction in the co-responsibility levy. For beef, the variable premium scheme has been retained and the suckler cow premium will be continued at last year's level. Producers will also benefit from a small increase in intervention prices as a result of the second stage of harmonisation based on the carcase classification grid. In the sheep sector, certain damaging proposals on the variable premium were withdrawn, and the settlement included an increase in support in 1986, improvements in the seasonal scale, and a promise of proposals to extend annual ewe premium from 1986 to untupped shearlings of specified breeds in certain mountain areas.

Cattle

Mr. Geraint Howells asked the Minister of Agriculture, Fisheries and Food how many live cattle were imported from Ireland during the last 12 months; and what were the corresponding figures for the last five years.

Mr. MacGregor: The number of live cattle* imported into the United Kingdom from the Republic of Ireland were as follows:

	Thousand head
April 1979-March 1980	212
April 1980-March 1981	306
April 1981-March 1982	209
April 1982-March 1983	147
April 1983-March 1984	202
April 1984-March 1985	198

* Fat, store, breeding and other cattle, and calves.

Source: Overseas trade accounts of the United Kingdom adjusted for unrecorded trade.

Forestry

Mr. Ron Davies asked the Minister of Agriculture, Fisheries and Food how many Forestry Commission felling licences were granted to private individuals or organisations in England in the year to 31 March; and what was the total area of conifers and broadleaved timber so felled.

Mrs. Fenner [*pursuant to her reply*, 6 June 1985, c. *223*]: The total number of felling licences granted by the Forestry Commission for the thinning and clear felling of woodland in England in the year to 31 March 1985 was 1,059.

The total area of timber felled in the year is not known as the Forestry Commission does not normally monitor the situation on the ground after granting a licence, unless replanting conditions are involved and these conditions are due to be fulfilled.

EMPLOYMENT

Young People (Clerical Assistant Training)

Mr. Lawler asked the Secretary of State for Employment if he will provide details of the Manpower Services Commission's proposal to employ and train young people as clerical assistants.

Mr. Peter Morrison: The proposal was to introduce a planned programme of work based on training off the job for the Manpower Services Commission's normal recruitment of 16 and 17-year-old young people for employment, in clerical posts. It has been the subject of discussion since last year with the appropriate Civil Service unions, but agreement has not been reached.

Since the discussions began, the Government have announced their commitment to a two-year youth training scheme nationally. The commission will shortly be considering detailed proposals for submission to the Government at the end of this month, with a view to introducing the new scheme in April 1986.

The commission's management has, therefore, decided that its earlier proposal has been overtaken by events and it has been withdrawn. It will now be discussing with the appropriate Civil Service trade unions a more limited training programme for clerical recruitment pending the introduction of a two-year youth training scheme generally.

Thereafter, I hope that the Civil Service trade unions will drop their objection to the youth training scheme in the Civil Service generally and that we will see a full scale two-year youth training scheme operating for 16 and 17-year-old recruits to the commission and to the Civil Service at large.

Factory Inspectorate

Mr. Litherland asked the Secretary of State for Employment if he will give the figures of factory inspectors in post for the years 1979 to 1985.

Mr. Peter Bottomley: The figures for 1 April of each year are as follows:

	number
1979	951
1980	980
1981	950
1982	886
1983	852
1984	825
1985	845

Labour Statistics

Mr. Pike asked the Secretary of State for Employment what proportion of *(a)* unemployed males and *(b)* unemployed females in the Burnley travel-to-work area have been unemployed for (i) one year, (ii) two years and (iii) three years at the latest available date.

Mr. Alan Clark: The following information is in the library. The table gives the figures for unemployed claimants in the former Burnley travel-to-work area on 11 April, the latest date for which an analysis of unemployment by duration is available.

Duration of unemployment—percentage of total unemployed

	Male	*Female*
Over one year	45·6	31·5
Over two years	29·3	16·4
Over three years	18·6	9·0

Mr. Pike asked the Secretary of State for Employment what are the unemployment figures for the county of Lancashire categorised by *(a)* sex, *(b)* age and *(c)* duration of unemployment for the last month for which figures are available.

Mr. Alan Clark: The following information is in the Library. The tables give the figures for unemployed claimants in the best fit of jobcentre areas to the county of Lancashire on 11 April 1985, the latest date for which an analysis of unemployment by age and duration is available.

Age and duration analysis of the unemployed for statistical date 11 April 1985
Region—North West
County—Lancashire
Males

Duration of unemployment in weeks	*16 and under*	*17*	*18*	*19*	*20-24*	*25-29*	*30-34*	*35-39*	*40-44*	*45-49*	*50-54*	*55-59*	*60-64*	*65 and over*	*Total*
One or less	31	58	67	63	231	140	105	99	84	55	45	54	37	0	1,069
Over 1 and up to 2	36	81	79	70	307	185	141	129	103	86	102	125	108	0	1,552
Over 2 and up to 4	42	106	117	99	461	250	188	175	124	121	95	110	83	0	1,971
Over 4 and up to 6	44	92	103	101	448	233	170	148	140	111	104	107	64	1	1,866
Over 6 and up to 8	36	98	95	91	375	221	173	119	97	87	85	86	38	1	1,602
Over 8 and up to 13	62	207	255	263	884	517	378	334	218	221	193	221	111	0	3,864
Over 13 and up to 26	110	335	552	549	2,099	1,161	823	765	542	497	486	569	332	1	8,821
Over 26 and up to 39	106	332	492	458	1,453	782	597	512	385	357	370	480	322	1	6,647
Over 39 and up to 52	1	132	234	213	977	549	405	328	232	225	263	334	277	2	4,172
Over 52 and up to 65	0	39	120	126	555	338	332	263	208	163	229	290	103	1	2,767
Over 65 and up to 78	0	20	83	110	473	338	247	226	200	169	191	254	39	0	2,350
Over 78 and up to 104	0	39	181	249	781	494	439	396	308	271	323	450	19	0	3,950
Over 104 and up to 156	0	0	84	185	1,008	738	666	603	470	456	481	688	28	0	5,407
Over 156 and up to 208	0	0	0	28	584	490	464	422	363	345	389	516	23	0	3,624
Over 208 and up to 260	0	0	0	0	236	298	353	313	235	229	315	350	22	0	2,351

Duration of unemployment in weeks	16 and under	17	18	19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65 and over	Total
Over 260	0	0	0	0	82	192	246	261	213	263	330	458	23	0	2,068
Total Males	468	1,539	2,462	2,605	10,954	6,926	5,727	5,093	3,922	3,656	4,001	5,092	1,629	7	54,081

Females

Duration of unemployment in weeks	16 and under	17	18	19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60 and over	Total
One or less	33	52	43	39	174	95	70	40	31	39	30	23	0	669
Over 1 and up to 2	37	50	55	59	233	146	100	73	73	55	50	48	0	979
Over 2 and up to 4	23	112	108	71	330	199	117	93	81	72	40	27	0	1,273
Over 4 and up to 6	31	81	72	79	298	169	110	76	54	44	40	35	1	1,090
Over 6 and up to 8	27	59	64	55	254	172	83	56	55	59	38	43	0	965
Over 8 and up to 13	58	182	167	149	617	351	197	135	112	98	92	76	0	2,234
Over 13 and up to 26	111	325	433	403	1,342	893	439	307	214	257	194	194	0	5,112
Over 26 and up to 39	99	261	356	322	812	642	307	238	157	169	201	201	0	3,765
Over 39 and up to 52	0	97	141	143	581	442	184	162	124	132	135	153	0	2,294
Over 52 and up to 65	0	32	89	86	297	242	124	104	72	75	104	103	0	1,328
Over 65 and up to 78	0	22	59	87	191	147	68	69	51	80	70	111	3	958
Over 78 and up to 104	0	35	91	154	335	163	82	86	87	121	157	199	3	1,513
Over 104 and up to 156	0	0	71	116	338	157	94	93	108	146	240	295	0	1,658
Over 156 and up to 208	0	0	0	18	229	62	57	49	59	83	144	302	2	1,005
Over 208 and up to 260	0	0	0	0	91	29	29	24	27	43	97	177	3	520
Over 260	0	0	0	0	44	44	28	28	17	36	81	141	3	422
Total Females	419	1,308	1,749	1,781	6,166	3,953	2,089	1,633	1,322	1,509	1,713	2,128	15	25,785

Mr. Pike asked the Secretary of State for Employment how many young persons aged 16 to 18 years were unemployed in the Burnley travel-to-work area for the last month for which figures are available.

Mr. Alan Clark: The following information is in the Library. On 11 April 1985, the latest date for which an analysis of unemployment by age is available, the number of unemployed claimants aged 16 to 18 years in the former Burnley travel-to-work area was 525. Information for the new Burnley travel-to-work area will be available shortly.

Dr. David Clark asked the Secretary of State for Employment what was the total employment in the following industries in 1979; docks, coal mining, shipbuilding and repairing and steel, respectively; and what are the latest available equivalent figures.

Mr. Alan Clark: The following table gives, for Great Britain, the estimated numbers of employees in employment in June 1979 and at the latest date for the industries specified. Data are collected monthly from a sample of employers within the index of production industries (divisions 1-5 of the 1980 Standard Industrial Classification), and quarterly from a larger sample of employers representing all industries and services. The figures for April 1985 are provisional.

Employees in Employment—Great Britain

Industry	Activity Heading or Group of the 1980 SIC	June 1979	April 1985
Deep coal mines	1,113	288,000	213,700
Shipbuilding and repairing	361	139,000	91,300
Iron and steel industry	221		
Steel tubes	222		
Drawing, cold rolling and cold forming of steel	223	281,200	146,700
			December 1984
Supporting services to sea transport	763	61,500	39,700

Youth Training Scheme

Mr. Sheerman asked the Secretary of State for Employment if he will publish his estimates for the years 1983-84 and 1984-85 of the number of school-leavers who have refused every offer of a place on the youth training scheme at 31 March, after the September of the year in which they left school.

Mr. Peter Morrison: I regret that the information is not available in the precise form requested. However, the number of young people reported to my Department's unemployment benefit service for refusing a youth training scheme place in the period 1 September 1983 to 31 March 1984 was 1,645. The corresponding figure for the period 1 April 1984 to 31 March 1985 was 1,676. As a consequence of those reports, 1,122 young people in the earlier period and 1,162 in the later period had their benefit claims disallowed for unreasonably refusing a youth training scheme place.

NATIONAL FINANCE

VAT (Refund Claims)

Mr. Heddle asked the Chancellor of the Exchequer if he will indicate the number of value added tax refund claims under Customs and Excise notice No. 719 processed for the fiscal years 1983-84 and 1984-85.

Mr. Hayhoe: The numbers of claims under Customs and Excise notice No. 719 by do-it-yourself builders for refund of value added tax processed in the fiscal years specified were:

	Number
1983-84	8,168
1984-85	8,953

EC (Payments)

Mr. Stern asked the Chancellor of the Exchequer if he will make a statement about the payment in June of May non-value added tax own resources to the European Communities.

Mr. Ian Stewart: In accordance with article 10(2) of Council regulation 2891/77, the Commission has invited member states to pay on 20 June instead of 19 July non-VAT own resources collected in May. These own resources consist of agricultural, sugar and isoglucose levies and customs duties. The Government are complying with this request.

An amount of £115 million will be paid on 20 June; the payment of levies and duties on 19 July 1985 which is made under section 2(3) of the European Communities Act 1972 will be reduced by an appropriate amount. There will therefore be no net addition to public expenditure.

Britoil

Mr. Smith asked the Chancellor of the Exchequer if he will make a statement about the costs of the intended sale of shares in Britoil.

Mr. Moore: The Government's intention to sell their residual holding in Britoil was announced on 2 May, at column 246. Pending parliamentary approval of the necessary Supplementary Estimate, urgent payments in connection with preliminary and main sale expenses will be met by repayable advances from the Contingencies Fund.

Pension Funds (Investments)

Mr. Alfred Morris asked the Chancellor of the Exchequer what is his estimate of the net annual investment of pension funds in Government stocks and securities of all kinds; what proportion this represents of their total investments; and by what percentage he expects the investment to increase once the state earnings-related pension scheme has been phased out.

Mr. Lawson: Information on pension funds' investments is published in 'Financial Statistics', table 7.14. The level of pension funds' investments in Government stocks and other securities following the phasing-out of the state earnings-related pension scheme will depend on the portfolio behaviour of the funds, on the pattern or yields, on the net increase in the funds available to them, and on the stance of Government policy.

CIVIL SERVICE

Job Dispersal

Mr. Parry asked the Minister for the Civil Service how many Civil Service jobs have been transferred to *(a)* Liverpool and *(b)* Merseyside in each year since the implementation of the Hardman report on dispersal of Civil service personnel to the latest available date; and how these figures compare with the original recommendation of the Hardman report.

Mr. Hayhoe: The dispersal programme announced in July 1974 was based on the Hardman report. It included 4,440 posts for transfer to Merseyside, of which 2,467 were for Liverpool. Between July 1974 and April 1979, 40 posts were transferred, 27 of which were to Liverpool.

A revised dispersal programme was announced on 26 July 1979. I refer the hon. Gentleman to my written reply of 28 March for details of progress towards implementation of the Merseyside package. Numbers of posts dispersed for each separate year are not held centrally.

THE ARTS

Exports (Reviewing Committee)

Mr. Faulds asked the Parliamentary Under-Secretary of State answering in respect of the Arts when publication is expected of the report of the reviewing committee on the export of works of art in respect of the year ended on 30 June 1984.

Mr. Waldegrave: It is expectd that the report will be published in June 1985.

Galleries (Funding)

Mr. Donald Stewart asked the Parliamentary Under-Secretary of State answering in respect of the Arts if, in view of Mr. Paul Getty's gift to the National Gallery in London, he will ensure that galleries in other parts of the United Kingdom receive a greater proportion of next year's public funding.

Mr. Waldegrave: Responsibility for the public funding of galleries other than in England rests not with my right hon. and noble Friend the Minister for the Arts but with my right hon. Friends the Secretaries of State for Scotland, Wales and Northern Ireland respectively. As far as my noble friend is concerned, it is not his intention to penalise arts bodies which are successful in attracting private funding.

SOCIAL SERVICES

Social Security Review

Mr. Squire asked the Secretary of State for Social Services what net increase in expenditure is envisaged when family income supplement is replaced by family credit, at current prices and benefit levels; and how much of this increase in expenditure will be devoted to compensation for the loss of free school meals.

Mr. Newton: No decisions have yet been taken on the rates for family credit. We will provide a range of illustrative figures when the White Paper is published.

Nuclear Installations (Cancer)

Mr. Ashdown asked the Secretary of State for Social Services if he will list and describe the steps taken by his Department pursuant to recommendation 10 of the report of the advisory group chaired by Sir Douglas Black on the incidence of cancers in the vicinity of nuclear installations in the north-west of England.

Mr. Kenneth Clarke: *Recommendation 10a.* I refer the hon. Member to the reply given to him by my hon. Friend the Parliamentary Under-Secretary of State for the Environment on 17 June at columns *20-21.*

Recommendation 10b Discussions have taken place between officials of our department and others, the National Radiological Protection Board and experts in the field on what additional epidemiological and other human data are required. Some further studies are under way already.

Recommendation 10c Consultation between our Department and authorising Departments on the health consequences of discharges now take place regularly and our officials attend meetings of the Radioactive Waste Management Advisory Committee and other relevant Government committees.

Recommendation 10d The establishment of the designated body recommended by Sir Douglas Black's advisory group is still being discussed by the relevant Government Departments and NRPB. We will make a decision on how this is to be implemented soon.

Single Payments

Mr. Pike asked the Secretary of State for Social Services how many claimants at his Department's Burnley office received single payment allowances during the last 12 months for which figures are available.

Mr. Whitney: The Department's Burnley office made 9,394 single payments in the year ending 7 May 1985. Figures of how many claimants received payments are not available as some claimants received more than one payment.

War Widows (Pensions)

Mr. Freeman asked the Secretary of State for Social Services if he will give statistics for the number of war widows presently receiving war widows' pensions in Great Britain, separating the figures between women widowed *(a)* before 1973 and *(b)* since 1973.

Mr. Whitney: There were 66,350 war widows' pensions in payment at 29 March 1985. No details are available of the numbers widowed before and after 1973. Under the war pensions scheme, widows' pensions are paid at the same rate regardless of the date of the service man's death, although widows of service men who served after 1973 and whose death is attributable to service will, without exception, also receive an occupational widows' pension from the Ministry of Defence.

Drug Abuse

Mr. Ashley asked the Secretary of State for Social Services if he will list the health authorities that have applied for central funding to support initiatives concerned with drug abuse, indicating which applications have been successful; and if he will list those authorities which have not made an application.

Mr. John Patten: The following health authorities have applied for funding under the central initiative to provide services for drug misusers. Funds have been made available to date to those marked with an asterisk.

Northern Region
- Hartlepool
- South Tees
- *East Cumbria
- South Cumbria
- Darlington
- Northumberland
- *Newcastle
- North Tyneside
- *South Tyneside
- Sunderland

Yorkshire Region
- East Yorkshire
- Hull
- Scunthorpe
- *York
- Bradford
- Calderdale
- *Leeds Western
- Pontefract

Trent Region
- Leicester
- *North Lincolnshire
- *Nottingham
- Rotherham
- Sheffield

East Anglian Region
- *Cambridge
- *Peterborough
- *Norwich
- Great Yarmouth and Waveney
- West Norfolk and Wisbech

North West Thames Region
- *North Bedfordshire
- South Bedfordshire
- *North Hertfordshire
- East Hertfordshire
- North West Hertfordshire
- Barnet
- Harrow
- *Hillingdon
- Hounslow and Spelthorne
- *Ealing
- Brent
- *Paddington and North Kensington
- *Hammersmith and Fulham (now Riverside)
- *Victoria

North East Thames Region
- North East Essex
- West Essex
- *Southend
- *Barking, Havering and Brentwood
- *Bloomsbury
- Islington
- *City and Hackney
- Tower Hamlets
- *Enfield
- Haringey
- Redbridge

South East Thames Region
- *Brighton
- Hastings
- South East Kent
- Medway
- Tunbridge Wells
- Bexley
- *Greenwich
- *Bromley
- *West Lambeth

*Bethlem and Maudsley
*Lewisham and North Southwark
Camberwell

South West Thames Region
North West Surrey
West Surrey and North East Hampshire
*Mid-Surrey
Chichester
*Mid-Downs
Worthing
*Kingston and Esher
Richmond, Twickenham and Roehampton
*Wandsworth

Wessex Region
*East Dorset
*Portsmouth and South East Hampshire
Swindon
*Isle of Wight

Oxford Region
*Oxford RHA
West Berkshire
Northampton

South Western Region
*Frenchay
*North Devon
Plymouth

West Midlands Region
Herefordshire
Kidderminster and District
*Worcester and District
*Shropshire
*Mid-Staffordshire
North Staffordshire
South Warwickshire
*West Birmingham
*Coventry
Sandwell
*Walsall
*Wolverhampton

Mersey Region
*Mersey RHA
Chester
*Halton
Macclesfield
Warrington
St. Helens and Knowsley
South Sefton (Merseyside)
*Wirral

North Western Region
*North Western RHA
*Lancaster
Blackburn, Hyndburn and Ribble Valley
West Lancashire
Bolton
North Manchester
Central Manchester
Rochdale
Tameside and Glossop
Wigan

Mr. Ashley asked the Secretary of State for Social Services how much money has been allocated to each of the health regions to help in countering drug abuse; and on what criteria the money was allocated.

Mr. John Patten: The following sums have been allocated to each of the health regions under the central funding initiative for the provision of services for drug misusers.

Region	£
Northern	781,214
Yorkshire	248,449
Trent	486,652
East Anglian	295,569
North West Thames	1,172,173
North East Thames	1,398,131
South East Thames	253,843
South West Thames	428,996
Wessex	485,654
Oxford	319,905
South Western	317,780
West Midlands	669,627
Mersey	866,552
North Western	453,377

The sums include grants made to voluntary organisations. The criteria on which funds have been allocated include the merits of proposed projects and the extent of the local need for services and the development of a wide range of services.

Mr. Ashley asked the Secretary of State for Social Services (1) which health regions, in which there is a town or city with a population of over 200,000, have had central Government funding to help with the problem of drug abuse;

(2) if he will list the health authorities in which there is a town or city with a population of over 200,000 which do not have a drug information and treatment centre;

(3) what evidence he has of the relative size of the problem of drug abuse in the towns and cities in the United Kingdom that have a population of over 200,000.

Mr. John Patten: Information on the prevalence of drug misuse and existing or planned services for drug misusers in English regions is contained in the report "Drug Misuse: Prevalence and Service Provision", which we have published today. Copies have been placed in the Library.

Health services in other parts of the United Kingdom are the responsibility of my right hon. Friends the Secretaries of State for Wales, Scotland and Northern Ireland.

Mr. Ashley asked the Secretary of State for Social Services what evidence he has received regarding the incidence of drug abuse in North Staffordshire; and what information and treatment facilities are available.

Mr. John Patten: North Staffordshire drug advisory committee is currently assessing the extent of drug misuse in the district. Patients with drug problems may be treated locally by consultant psychiatrists as part of their general case load or by primary health care teams, or may be referred to the regional addiction unit at All Saints hospital in Birmingham or the personality disorder unit at St. George's hospital, Mid-Staffordshire. Information for drug misusers and their relatives is available from the district's health education department.

We have published a summary of health authority reports on the prevalence of drug misuse, existing services and plans for service development today.

Mr. Haselhurst asked the Secretary of State for Social Services when he will publish the results of the review of services for drug misusers; and if he will make a statement.

Mr. John Patten: The report, entitled "Drug Misuse: Prevalence and Service Provision" has been published

today. It contains information provided by health authorities and other agencies on the prevalence of drug misuse and on plans for improving services for drug misusers. The work carried out by health authorities indicates that they share the Government's concern that urgent action should be taken in this field. The Government are grateful to health authorities and other agencies for the effort they have devoted to seeking information on the prevalence of drug misuse and formulating plans for improving services.

However, good services, whether in the statutory or voluntary sector, can never be the whole answer to the problem. The Government will continue to do all they can to restrict the quantities of illegal drugs coming into the country and their distribution here and to make provision for those in need of help. But it is ultimately up to the Community as a whole to help with quelling this evil, helping those who are addicted or might be tempted to experiment.

For their part, the Government consider that the development of services for drug misusers must remain a high priority for the foreseeable future, and I shall continue to monitor their development, through regional health authorities. Ministers will be writing to regional health authorities individually to comment on the progress they have made and to encourage appropriate further action. They intend that there should be multi-agency drug advisory committees for every region and district by the end of 1985.

Hospitals (Infections)

Mr. Ashley asked the Secretary of State for Social Services if he will list those serious outbreaks of infection that have occurred in hospitals in each of the last five years that have been reported to the public health laboratory service.

Mr. Kenneth Clarke: I shall let the right hon. Member have a reply as soon as possible.

Mr. Ashley asked the Secretary of State for Social Services if he has any evidence to show that district health authorities operate local policies and procedures concerning control of infection in hospitals which vary significantly from the policies and procedures advised by his Department.

Mr. Kenneth Clarke: No.

Mr. Ashley asked the Secretary of State for Social Services, pursuant to the answer, *Official Report*, 6 June, column *231*, what criteria were used to distinguish between hospital infections that were considered preventable and not preventable.

Mr. Kenneth Clarke: The 1981 prevalence study was not designed to investigate the preventability of the infections found.

Mr. Ashley asked the Secretary of State for Social Services, pursuant to the answer, *Official Report*, 6 June, columns *230-1*, about management of outbreaks of hospital infection, if he will explain the meaning of the term somewhat dated in relation to his Department's advice; and if he will give the date when advice on the management of specific outbreaks of infection in hospitals was last issued by his Department, saying what form it took.

Mr. Kenneth Clarke: Our advice on the management of infection control in hospitals and the management of specific outbreaks is contained in circular RHB(51)100 and HM(59)6. We are preparing to update this advice.

Mr. Ashley asked the Secretary of State for Social Services, pursuant to the answer, *Official Report*, 6 June, column *231*, if he will place a copy of the public health laboratory service prevalence study of hospital acquired infection in the Library.

Mr. Kenneth Clarke: I shall arrange for copies to be placed in the Library as soon as possible.

Mr. Ashley asked the Secretary of State for Social Services pursuant to the answer, *Official Report*, 6 June, column *231*, if he will categorise those infections acquired before entry to hospital that were included in the 1981 public health laboratory service study, according to the severity of the infection, its incidence and whether or not it was considered to be preventable.

Mr. Kenneth Clarke: The prevalence study does not provide the information sought.

Infection Control Nurses

Mr. Ashley asked the Secretary of State for Social Services if he will request the general managers of the National Health Service regions to ascertain the number of infection control nurses employed in each health authority in their region and to inform him of the total.

Mr. Kenneth Clarke: We have no plans to do so.

Invalid Care Allowance

Mr. Meadowcroft asked the Secretary of State for Social Services (1) if he has any plans to extend entitlement to invalid care allowance to married or cohabiting women;

(2) what is his policy in the light of the recent European Economic Community directive on equality of treatment in social security benefits, towards the eligibility of married or cohabiting women for invalid care allowance.

Mr. Whitney: I refer the hon. Member to my reply to the hon. Member for Barking (Ms. Richardson) on 18 June at column *160*.

Pharmaceutical Companies

Mr. Meadowcroft asked the Secretary of State for Social Services what methodology he uses in assessing the allowable level of capital employed by pharmaceutical firms to distinguish between capital employed by them on National Health Service work and that employed on work associated with private prescriptions and general sales list products; and what is his current estimate of the reduction in capital employed which he expects to allow for the current year compared with 1984-85.

Mr. Kenneth Clarke: Under the pharmaceutical price regulation scheme pharmaceutical companies are required to provide us with an annual detailed statement of capital employed certified by independent accountants. This is analysed between National Health Service medicines and other products. Until we have examined the 1985-86 statements, and made such adjustments as we deem necessary, we cannot say how the capital employed in 1985-86 will compare with 1984-85.

Retirement Pensions

Mr. McCrindle asked the Secretary of State for Social Services if, under the personal pension plans outlined in the recent Green Paper on social security, administrative responsibility for ensuring that all employees effect a scheme will be placed on employers; and what arrangements he envisages for the unemployed.

Mr. Newton: The proposal is that employers should be responsible for paying the minimum pension contibution to the occupational pension scheme or personal pension scheme chosen by the employee, recovering not more than half of it by deduction from the employee's earnings. Administrative arrangements are among the matters for examination in consultations on the Green Paper proposals.

The unemployed are not covered by the state earnings-related pension scheme and it is not proposed that the requirement to make minimum private provision should extend to them.

Written Answers to Questions

Thursday 20 June 1985

PRIME MINISTER

Mr. Gorbachev

Q27. **Mr. Latham** asked the Prime Minister whether she intends to make an official visit to the Union of Soviet Socialist Republics to meet Mr. Gorbachev.

The Prime Minister: I have at present no plans to do so.

Lenzie

Q106. **Mr. Hirst** asked the Prime Minister if she will pay an official visit to Lenzie.

The Prime Minister: I have at present no plans to do so.

Chile (Arms Sales)

Q121. **Mr. Dalyell** asked the Prime Minister if she will make a statement on the leakage of official documents about arms sales to Chile and an arrangement with Chile concerning the defence of the Falklands.

The Prime Minister: I refer the hon. Gentleman to the reply given by my right hon. and learned Friend the Attorney-General on 11 June, at column 395, about the leakage of official documents about Chile. Mr. Dennis has now been dismissed from the public service. The position on defence co-operation is as described by my right hon. Friend the Minister of State for the Armed Forces on 17 June, at column 37.

Nurses (Pay)

Q123. **Mr. Pavitt** asked the Prime Minister if she will, in future, announce any decision made on nurses' pay awards by oral statement.

The Prime Minister: As I explained to the hon. Member for Birmingham, Hodge Hill (Mr. Davis), on 6 June, at column 440, it has been the normal practice under successive Governments to announce decisions on review body reports by written answer, and I see no reason to change that practice.

Engagements

Mr. Peter Bruinvels asked the Prime Minister if she will list her official engagements for Thursday 20 June.

Mr. Greenway asked the Prime Minister if she will list her official engagements for Thursday 20 June.

Mr. Pike asked the Prime Minister if she will list her official engagements for Thursday 20 June.

The Prime Minister: This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today.

TRADE AND INDUSTRY

Food Sales (Unit Pricing)

Mr. Moynihan asked the Secretary of State for Trade and Industry what is his policy on unit pricing on those foods sold in pre-established quantities; and if he will make a statement.

Mr. Fletcher: It is our policy not to extend unit pricing to foods sold in pre-established quantities. For foods sold loose or in random weight pre-packs unit pricing has a role to play in assisting consumers to make value for money comparisons. But for foods which can be sold in pre-established quantities, standardisation of package sizes based on the needs of the consumer is a far better and cheaper method of assisting consumers.

This policy was set out in the Department's explanatory memorandum dated 23 February 1984 on European Community Draft Instrument 4687/84 of 31 January 1984 on consumer protection in the indication of prices of foodstuffs.

Exports

Mr. Austin Mitchell asked the Secretary of State for Trade and Industry whether exports are now more profitable than they were on average in the years 1973 to 1976.

Mr. Channon: Companies are now more profitable than they were over the period 1973 to 1976. Export prices have risen faster than producer prices generally. Assuming no large differences in costs between production for the home and overseas markets this suggests that exports are now more profitable than they were in 1973 to 1976.

Electronics Industry

Mr. Pike asked the Secretary of State for Trade and Industry what was the total financial support for the electronics industry in England from Government or Government-funded sources including grants, loans and subsidies for each of the last five years.

Mr. Pattie: Support for the electronics industry in England, from my Department for each of the last five years, is set out in the table. The sectors of the electronics industry covered are scientific instruments (MLH 354), telegraph and telephone apparatus (MLH 363), radio and electrical companies (MLH 364), broadcast receiving and sound reproduction equipment (MLH 365), electronic computers (MLH 366), radio/radar and electronic capital goods (MLH 367). The figures in the table for RDG relate to electrical engineering as a whole, and include Scotland and Wales.

Payments in £ millions

	1980-81	*1981-82*	*1982-83*	*1983-84*	*1984-85*
Support under Sections 7 & 8 of the Industrial Development Act 1982	8·44	9·46	11·55	18·43	19·36
Research & Development support under Science and Technology Act 1965	20·17	24·71	43·59	63·04	83·18
Regional Development Grants for England, Scotland and Wales for Electricial Engineering	22·34	30·28	40·40	31·51	32·31

Scottish Cables

Mr. Caborn asked the Secretary of State for Trade and Industry if he will investigate whether the take-over by the South African company Altech of Scottish Cables could affect Britain's responsibilities under the United Nations mandatory arms embargo.

Mr. Channon: The United Kingdom complies fully with its obligations under UN Security Council Resolution 418, which concerns the export of military goods and the transfer of related technology to South Africa. There are no grounds for believing that these obligations were affected by the take-over to which the hon. Member refers, which involved the sale of a United Kingdom subsidiary already located and operating in South Africa.

Nationalised Industries

Mr. Phillip Oppenheim asked the Secretary of State for Trade and Industry how many representations he has received about the retail activities of nationalised industries.

Mr. Butcher: A large number of representations have been received relating to the closure of post offices and to the possible improvement of the Post Office's counter services.

Mr. Phillip Oppenheim asked the Secretary of State for Trade and Industry whether any examples of unfair competition arising from the retail operations of the nationalised industries have been brought to his attention.

Mr. Butcher: No such examples have been brought to my attention.

Computer Fraud

Mr. McCrindle asked the Secretary of State for Trade and Industry if he has had recent representations from banks, building societies and insurance companies on the subject of computer fraud; and if he will make a statement.

Mr. Butcher: My right hon. Friend has received no such representations, and there are hence no grounds for a statement at the present time.

Industrial Development Unit

Mr. Gould asked the Secretary of State for Trade and Industry why the number of case officers in the industrial development unit has been reduced from 15 to five; and how this relates to the work load undertaken by the unit.

Mr. Butcher: The industrial development unit appraisal staff complement comprises five deputy directors and 10 case officers, although currently staff in place number five deputy directors and seven case officers. The level of recruitment is dependant on the need to maintain a full workload for individual appraisal teams which is currently below anticipated levels as a result of the moratorium on support for innovation announced by my hon. Friend on 22 November 1984.

Departmental Documents

Mr. Gould asked the Secretary of State for Trade and Industry why some documents in his Department are marked "Not for National Audit Officer Eyes"; which documents are so marked and according to which criteria; and if he will make a statement.

Mr. Butcher: Files which deal with the conduct of the Departments business with the National Audit Office and the Public Accounts Committee are not shown to the NAO. This has been agreed with the National Audit Office on the understanding that these files will be strictly confined to their particular business and marked accordingly. All papers dealing with NAO or PAC business are marked "not for NAO eyes" and placed on the files which are so marked.

I understand that my Department's practice in this respect is similar to that of other Departments.

Coke Ovens, Ravenscraig

Mr. Dewar asked the Secretary of State for Trade and Industry if proposals have now been received by his Department concerning investment by the British Steel Corporation in new coke ovens at the Ravenscraig integrated steel plant; and if he will make a statement.

Mr. Norman Lamont: I have not yet received BSC's investment proposals for this year.

Steel

Mr. Dewar asked the Secretary of State for Trade and Industry what has been the percentage reduction in British steel-making capacity since 1977; and what have been the corresponding reductions in each of the other European Economic Community steel making nations.

Mr. Norman Lamont: The most recent published information on the percentage reduction in British steel-making capacity since 1977, and the corresponding reductions in the other European Community nations is shown in the following table.

Effective capacity of crude steel production

million tonnes

Country	*1977*	*1984*	*Reduction per cent.*
United Kingdom	28·9	23·6	−18·4
Federal Republic of Germany	67·7	54·7	−19·2
Belgium	19·2	15·5	−19·3
France	33·3	27·0	−18·9
Italy	34·1	37·0	+8·5

Country	1977	1984	Reduction per cent.
Luxembourg	8·2	6·4	−22·0
Netherlands	8·2	8·0	−2·4
Denmark	1·2	0·9	−25·0
Ireland	0·1	0·3	−200·0
European Community (9)	200·7	173·4	−13·6
Greece	1·3	4·1	+315·0
European Community (10)	—	177·5	—

Source: OECD.

ENERGY

Nationalised Fuel Industries

Mr. Phillip Oppenheim asked the Secretary of State for Energy whether any safeguard exists to prevent the nationalised fuel industries subsidising their retail outlets.

Mr. Buchanan-Smith: In response to recommendations by the Monopolies and Mergers Commission both the British Gas Corporation and the electricity supply industry have introduced revised accounting procedures for their appliance retailing activities. These changes necessitated a thorough review of the ways costs were allocated to the activities and the production of revised guidelines on cost allocation. In both cases these allocations are subject to the independent scrutiny of their auditors. At the same time both industries have an objective to operate their retailing on a profitable basis.

EDUCATION AND SCIENCE

Parliamentary and Scientific Conference, Tokyo

Sir Dudley Smith asked the Secretary of State for Education and Science if he will make a statement about the Parliamentary Under-Secretary of State's participation in the sixth parliamentary and scientific conference of the Council of Europe, held recently in Tokyo.

Sir Keith Joseph: At my request my hon. Friend the Parliamentary Under-Secretary of State represented the United Kingdom Government at the sixth Parliamentary and Scientific Conference of the Council of Europe which was held in Tokyo on 3-6 June on the theme of "Science and democracy: common values in a dialogue of civilisation". I am glad to report that the United Kingdom was, additionally, strongly and audibly represented by hon. Members of both Houses, by the General Rapporteur and by a keynote speaker. I am informed that the conference was hosted with generous hospitality and great efficiency by the Japanese Government; that it was an invaluable occasion for exchanging views on scientific and technological matters of current concern in the democracies of Western Europe and Japan; and that it helped to strengthen the foundations for continuing and growing co-operation at all levels between the Member Countries. In addition my hon. Friend, who was accompanied by the Chairman of the Advisory Board for the Research Councils Sir David Phillips, took the opportunity of visiting several universities, and Government and industrial research laboratories, to promote the existing good working relations between United Kingdom and Japanese scientists and to explore possibilities for their extension. The text of the conclusions distributed at the close of the conference is as follows; they have yet to be considered by the Parliamentary Assembly of the Council of Europe.

Tokyo, 6 June 1985

TEXT ADOPTED

THE SIXTH PARLIAMENTARY AND SCIENTIFIC CONFERENCE

1. Convened by the Council of Europe in Tokyo and Tsukuba 3-6 June 1985 at the invitation of the National Diet of Japan;
2. Following statements by the Speaker of the House of Representatives, Mr. Sakata; by Prime Minister Nakasone, Chairman of the Council for Science and Technology of Japan; by Cabinet Ministers responsible for Science and Technology, International Trade and Industry, Posts and Telecommunications, and Foreign Affairs; and by the President of the House of Councillors, Mr. Kimura;
3. Following a visit to the International Exhibition of Science and Technology at Tsukuba (5 June 1985);
4. Having taken note of the scientific and technological achievements of Japan and of Japanese structures for scientific and technological policy-making;
5. *After three days' intensive discussion:*
   - —on science and democracy, on their shared attachments to freedom of speech and to concepts of rational discussion, and their place in our respective civilizations,
   - —on technological innovation, on scientific cooperation, and on changing patterns of scientific and technological leadership,
   - —on biological advances and human rights, with especial stress on new and prospective understandings of the human nervous system and the human brain,
   - —on the nature of scientific understanding, of the character of the uncertainty of scientific and technological judgments and on implications to be drawn therefrom for decision procedures on issues arising from impacts of science and technology on our lives, our values and our communities,
   - —on the desirability for building stronger scientific and technological relations between Western Europe and Japan;
6. AGREED on the following perceptions, trends and principles:
   - i. Science provides the foundations for advanced education and technological performance in our societies: similarly, through instrumentation, technology provides the infrastructure for scientific advance;
   - ii. Cooperation and competition — within countries and internationally — are equally essential to the vitality of science: competition in science, in some circumstances, can only be sustained by apparent but nonetheless essential duplication of effort; Competitiveness is a prerequisite for scientific cooperation;
   - iii. The free flow of scientists, knowledge and information between countries is the most effective route to scientific progress; this flow is disproportionately limited between Japan and Western Europe: mechanisms for 'matching funding' should be devised by Governments to offset the cost, to the research councils and scientific academies of Japan and Western Europe, of measures to intensify exchanges and ensure they are of mutual benefit;
   - iv. Scientific advances increasingly make necessary choices which involve ethical judgments on novel, difficult and important issues: there is a risk that legislation, by its nature, is more likely to be restrictive than encouraging;
   - v. The ethical issues raised by rapid developments in technology and natural sciences underlines the need to devote resources to the humanities so as to deepen our knowledge of the inter-action between the natural sciences and the humanities;
   - vi. The character of scientific understanding of nature has greatly changed in the last sixty years: Not all sectors of society in Western Europe have followed this change: This is prejudicial to our understanding

of the issues which arise from the ever more pervasive and faster changing impacts of science and technology on our societies: Parliaments must make the ultimate decisions on these issues; they must have adequate information capabilities and resources to prepare these decisions, which beyond a first approximation are not amenable to quasi-judicial procedures of evaluation and inquiry;

vii. In times of rapid scientific and technological change, as much knowledge flows into the academic world from industry and commerce as in the reverse direction: The two worlds must develop stronger links: Industry and commerce will increasingly be looking for flexibility and commitment among the qualities and attitudes of the people it will recruit: Our education systems must correspondingly adapt; this will contribute to alleviating the most serious problem of unemployment from which Western European countries so greatly suffer today;

viii. Today, as the "scientification" of technology proceeds in industry, new avenues of scientific research are opened up: Japan has experience to offer from which the Governments of Western Europe could benefit in reframing research and higher education policies accordingly and similarly closer linkages will be of benefit to Japan;

ix. The future contribution of industrialised countries to the world economy will lie increasingly in the intellectual sphere: In the fast-growing information technology sector, "soft-ware" production has by far the highest growth rate—together with high job-creation potential for people with the appropriate flexibility and sense of commitment to their work: Applications "soft-ware" in particular can benefit the employment market in each of our countries;

x. New information technologies can make citizens' participation more effective: They can help towards more open government and a reasonable balance between representative and direct democracy;

xi. Current trade imbalances between Western Europe and Japan in manufactured products should be reduced so that they do not unduly obscure perceptions of common interests between Western Europe and Japan, nor interfere with the setting-up of arrangements for intensified scientific and technological cooperation;

xii. The fragmentation of Western Europe (regulations, tax obstacles, industrial organisation) greatly inhibits the ability to turn knowledge into marketable products — and thus contribute to reducing unemployment: Major new initiatives will accelerate progress in certain areas and strengthen the need for Western Europe to turn into a true "technological community";

xiii. Political and economic costs of technology embargoes—particularly in electronic products—may be unrealistically high, given rapid rates of technological obsolescence;

xiv. Scientific research and the new technologies must take into account the widespread desire for peace and the need to face the deep problems of developing countries;

7. RECOGNISES the occasion of its meeting — as parliamentary democracy in Japan plays host to parliamentary democracy in Europe—as an expression of shared ideals and values.

8. INTERPRETS Japan's outstanding contribution to the success of the conference as a clear signal of readiness to improve exchanges in science, culture and technology—a signal to which Europe must respond;

9. ENDORSES the following proposals set forth at its closing session by the General Rapporteur:

A. In all countries of the Council of Europe, action should be taken:

i. To ensure that the manifold and serious problems — whether ethical, economic or political — generated through the widening of human choices arising from scientific and technological advances, are examined and decided in a coherent and effective manner at the highest level;

ii. to follow the signal so clearly given by Japan to ensure that scientific and technological links with Japan are strengthened, and inform the Council of Europe accordingly;

iii. make fullest use of the European Science Foundation so that, in addition to its important work of coordinating basic science in Europe, it can ensure the availability of scientists respected throughout Europe to provide advice on policy issues in science and technology to European parliamentary assemblies;

B. The European Parliament should take account of the concerns and interests of the whole of democratic Europe in action which might and should be taken to improve arrangements for integrating scientific and technological advice into decision-making throughout Europe;

C. The Council of Europe should, if necessary by re-allocation of resources:

i. broaden its work so as to be able to discuss issues of general importance arising from the new possibilities opened up by scientific and technological advances — whether in the field of biology (new knowledge of the human brain), in property rights, (information derived from remote sensing) or otherwise;

ii. respond to the need for projecting a more realistic image of the nature of science in the public mind, through concerted action by its steering committees for cultural cooperation and the mass media;

iii. establish a formal link between the 'Parliamentary and Scientific Conferences' and the 'Strasbourg Conferences on Parliamentary Democracy', given the far-reaching implications of the changes now being induced in our societies by scientific advance and technological innovation;

iv. prepare for opportunities which may arise as a result of the Sixth Conference for deepening relationships with Japan, by establishing, as an initial step, means for sustained reflexion on the relevant medium-term scientific and technological policy issues, in liaison with the Committee on Science and Technology of the Parliamentary Assembly and the 'Parliamentary and Scientific Conferences', together with OECD and the European Science Foundation.

Teachers' Superannuation Scheme

Mr. Cartwright asked the Secretary of State for Education and Science what projection he has made of the likely change in the financial burden on serving teachers in future years up to 2025, arising from their contributions in support of the teachers' superannuation scheme in the light of the anticipated numbers of living retired teachers in the period; and if he will make a statement.

Mr. Dunn: The level of teachers' contributions is governed by the Teachers' Superannuation Regulations 1976 and stands at 6 per cent. of salary. It is not related to the numbers of living retired teachers in the period up to 2025.

Special Education

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science why expenditure on special education is projected to fall by 8·42 per cent. between 1984-85 and 1986-87.

Mr. Dunn: The Government's plans for the distribution between services of local authority current expenditure in 1986-87 are provisional; and hence the projection of special schools expenditure within the education total is also provisional. A reduction in real terms expenditure is projected to occur partly because the number of pupils in special schools is falling. The Government also believe that there is some scope for reducing expenditure per pupil; it is encouraging the rationalisation of special schools in the interests of better education and a more effective deployment of resources.

School Books

Mr. Heddle asked the Secretary of State for Education and Science what monitoring process his Department uses to ensure that text books used in schools contain nothing of a salacious, blasphemous or subliminal political nature.

Mr. Dunn: The Department does not seek to monitor the teaching materials used in schools; decisions on such matters are for the schools themselves. We expect teachers to behave with due professional responsibility in this regard; any parent who is concerned about the use of a particular book should not hesitate to take the matter up with the school's headteacher and if necessary with the local education authority an ultimately with my right hon. Friend.

School Meals

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science how many children are currently entitled to free school meals; and what percentage of those entitled to free school meals take up their entitlement.

Mr. Dunn: The only figures on free school meals collected centrally for English local education authorities are for those pupils actually taking a free meal on the day of the annual census, the report on which is available in the Library. It is estimated that about two thirds to three quarters of those mandatorily entitled to a free meal take up the entitlement.

Dental Students

Lord James Douglas-Hamilton asked the Secretary of State for Education and Science how many dental students there were in England and Wales in each of the last 20 years per head of population; and how many student grants there were to dental students per head of population for the same dates.

Mr. Brooke: I shall reply to my hon. Friend as soon as possible.

ENVIRONMENT

Structure Plans

Mr. Hunter asked the Secretary of State for the Environment what is the average length of time for structure plans approved since 1980 between the completion of the examinations in public into those plans and the announcement of the draft modifications and publication of the panel's report.

Mr. Macfarlane: In the case of structure plans and structure plan alterations approved since 1 January 1980, following an examination in public, the average length of time between the completion of the examination in public and the publication of proposed modifications and the panel's report was 10 months.

Recycled Stationery

Mr. Chris Smith asked the Secretary of State for the Environment if he will indicate *(a)* when his Department started using recycled stationery, *(b)* how many tonnes of recycled paper his Department has used in the past 12 months for which figures are available and *(c)* what percentage of total paper stationery consumption this represents over that period.

Sir George Young: The first delivery of an order for 6 tonnes of recycled letter-headed paper and matching envelopes took place in November 1984. Since then, 1·5 tonnes have been distributed to officials, but it is not possible to say how much of this has been used. Figures for total paper stationery consumption are not readily available.

Other items of stationery containing an element of recycled paper have been used for several years.

Pollution

Mr. Chris Smith asked the Secretary of State for the Environment whether, in the light of the national road traffic forecasts predicting a growth of 20 to 50 per cent. in road traffic by the end of the century, the controls on vehicle emissions agreed by the Council of Environment Ministers' meetings in March will result in an improvement in air quality in the United Kingdom by the year 2000.

Mr. Gow: Although the Council of Environment Ministers agreed a broad framework on 20 March for stricter standards for vehicle emissions, the limit values for large and medium cars have yet to be agreed. It is not possible to say what further regulations might be in force and what effect vehicle emissions will have on air quality in 15 years' time.

Car Boot Sales

Mr. McCrindle asked the Secretary of State for the Environment if he will introduce legislation to confer upon local authorities the power to control and regulate car boot sales.

Mr. Macfarlane: The General Development Order 1977 allows the use of land for car boot sales for up to 14 days in total in any calendar year. However, in any particular case a local planning authority may, by the making of a direction under article 4 of the order, withdraw this general permission, and thus bring the activity concerned within normal planning control. For such a direction to remain in force for longer than six months the Secretary of State's approval is required.

Local Authorities (Capital Expenditure)

Mr. Hargreaves asked the Secretary of State for the Environment what was the total supplementary capital allocation issued to those local authorities which exercised restraint on capital expenditure in 1984-85.

Mr. Kenneth Baker: The total issued up to 18 June is £37,566,000 to 161 authorities. A final total will not be known until all local authorities' expenditure returns have been received and analysed.

Mr. Ken Hargreaves asked the Secretary of State for the Environment (1) how much supplementary capital allocation remains to be made to those local authorities who exercised restraint on capital expenditure in 1984-85 following the supplementary allocation of 5 per cent. of the aggregate of the basic allocations for 1985-86 for the five service blocks covered by the main national cash limits;

(2) how many local authorities exercised restraint, in accordance with his request, on capital expenditure in 1984-85.

Mr. Kenneth Baker: This information is not yet available, since the expenditure returns from some local authorities have still to be received and analysed.

The supplementary allocations apply to the five service blocks covered by the main cash limit for local authority capital expenditure in England.

Pesticides

Mr. Nellist asked the Secretary of State for the Environment if he will seek information on which local authorities have banned the use of the chemical 2,4,5-T.

Mr. Macfarlane: Local authorities have no powers to ban the general use of chemicals. However, I am aware that some local authorities have decided not to purchase and use for weed control, products containing 2,4,5-T. The view of the Government's Advisory Committee on Pesticides is that 2,4,5-T is safe when used according to the instructions. Bearing this in mind and the fact that local authority usage is relatively small, a comprehensive survey of local authority use would not be justified.

Falklands Islands

Mr. Dixon asked the Secretary of State for the Environment what is the latest figure of the number of civilians working on the Falkland Islands airport construction project; and what information he has as to how many came originally from the northern region.

Sir George Young: As at May 1985, 2,788 civilians were employed by contractors engaged on the Mount Pleasant airport project in the Falkland Islands and the associated project to provide garrison facilities and a port. A further 54 civilians were employed on these projects by PSA. No specific records are kept of the United Kingdom regional origins of these civilians.

HOME DEPARTMENT

Prison Population

Mr. Soley asked the Secretary of State for the Home Department what the prison population was on 31 May.

Mr. Mellor: On 31 May 1985 about 46,300 persons were held in prison department establishments in England and Wales.

Juveniles (Adult Prisons)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department how many juveniles were accommodated in adult prisons *(a)* on remand and *(b)* under sentence on the most recent convenient date.

Mr. Mellor: The latest available information is given in the following table. It is normal for young males to be kept apart from adult males whereas in establishments for females, women and girls may mix.

Persons aged under 17 held in adult prisons in England and Wales on 31 March 1985: by type of prisoner

*Number**

	Untried and convicted unsentenced	*Sentenced*
Adult prisons with remand units/wings for prisoners aged under 21†	1	20
Remand centres taking remand prisoners of all ages‡	35	15
Other adult prisons	6	22

* The figures are those recorded centrally.

† Cardiff, Dorchester, Exeter, Liverpool, Manchester, Norwich, Swansea, and Winchester.

‡ Ashford, Low Newton, Manchester, Pucklechurch and Risley.

Sri Lankan Tamils

Mr. Corbyn asked the Secretary of State for the Home Department how many Sri Lankan Tamils who have arrived in the United Kingdom since 20 April *(a)* have been refused entry and *(b)* are currently awaiting a decision; and of those who have been accepted into the United Kingdom, how many Tamils have been accepted as refugees on an exceptional basis respectively.

Mr. Waddington: Figures are readily available only from the beginning of May. Since then some 1,330 Sri Lankan Tamils have arrived at United Kingdom ports and sought asylum. So far, decisions have been taken in respect of some 200, of whom one has been recognised as a refugee, 27 have been granted leave to enter exceptionally and the remainder have been refused leave to enter.

Sikhs (Political Asylum)

Mr. Bidwell asked the Secretary of State for the Home Department what was the number of Sikhs who arrived in the United Kingdom over the past 12 months claiming political asylum; and how many claims were approved.

Mr. Waddington: The relevant statistics are recorded only by nationality of the applicant. According to provisional figures, 65 applications for asylum were received from Indian citizens in the 12 months up to 31 May 1985; and during the same period none was granted.

Tamils (Political Asylum)

Mr. Bidwell asked the Secretary of State for the Home Department what was the number of Tamils arriving in the United Kingdom over the last six months claiming

political asylum; if his Department maintains any record of the places where such claimants reside whilst their claims are being considered; and if he will make a statement.

Mr. Waddington: In the 12 months ending on 30 April 1985 some 350 Sri Lankan nationals are recorded as having sought asylum or expressed a fear of return upon arrival at a United Kingdom port. These records do not identify Tamils separately.

Since 1 May 1985 1,330 Sri Lankan Tamils are recorded as having sought asylum or expressed a fear of return on arrival. No central record is maintained of addresses to which those granted temporary admission proceed.

Computer Fraud

Mr. McCrindle asked the Secretary of State for the Home Department if he has any plans to introduce legislation to strengthen precautions against computer fraud; and if he will make a statement.

Mr. Mellor: I refer my hon. Friend to the reply I gave to his Question on 17 June at column 10.

Children (Offences)

Mr. Amess asked the Secretary of State for the Home Department (1) how many children have been convicted of offences relating to section 56 of the British Transport Commission Act 1949; what was the average sentence for *(a)* the Billericay petty sessional area, *(b)* Essex, and *(c)* for England and Wales for each of the past five years;

(2) how many children were charged with offences relating to section 56 of the British Transport Commission Act 1949 for *(a)* the Billericay petty sessional area, *(b)* Essex, and *(c)* for England and Wales for each of the past five years;

(3) on how many occasions compensation orders have been made on parents of children convicted of offences relating to section 56 of the British Transport Commission Act 1949 in *(a)* the Billericay petty sessional area, *(b)* Essex, and *(c)* in England and Wales for each of the past five years.

Mr. David Mellor: I shall reply as soon as possible.

Video Works (Classification)

Mr. Parris asked the Secretary of State for the Home Department (1) in what respect his proposals for the designation of persons to act as the authority responsible for making arrangements for the classification of video works under the Video Recordings Act 1984 differ from the arrangements anticipated at the time the Bill was in Standing Committee; and why the changes have been made;

(2) why he has altered the particulars of his proposals for the designation of persons to act as the authority responsible for making arrangements for the classification of video works under the Video Recordings Act 1984; and whether he will make a statement;

(3) why it was necessary to withdraw and relay his proposals for the designation of persons to act as the authority responsible for making arrangements for the classification of video works under the Video Recordings Act 1984.

Mr. Mellor: As indicated during the passage through Parliament of the Video Recordings Bill, my right hon. and learned Friend's intention was to designate the principal officers of the British Board of Film Censors (as it then was). Accordingly, his initial proposals provided for the designation of the Earl of Harewood, Lord Birkett, Miss Monica Sims and Mr. James Ferman (respectively President, Vice-Presidents and Director of the British Board of Film Classification). After laying these proposals, he learned from Mr. Ferman's colleagues that contrary to our earlier understanding, it had not been possible to secure the consent of Mr. Ferman (who was abroad during the relevant period). To enable the designation to take effect this summer — which means that proposals must lie before parliament for 40 days (as required by section 5 of the Video Recordings Act 1984) before the summer adjournment — my right hon. and learned Friend laid modified proposals on Friday 14 June providing for the designation of the Earl of Harewood, Lord Birkett and Miss Sims.

Metropolitan Police (Truncheons)

Mr. Dobson asked the Secretary of State for the Home Department how many long (65 cm.) truncheons have been issued to the Metropolitan police; and to which districts.

Mr. Giles Shaw: I understand from the Commissioner of Police of the Metropolis that no 65 cm. truncheons are issued to his officers. Long truncheons (91 cm.) are issued to officers of the mounted branch while those issued to other officers are of 32 cm. or 40 cm. Truncheons of different lengths and design have been evaluated but none of these have been issued for operational use.

Mr. Dobson asked the Secretary of State for the Home Department what checks are made to ensure that Metropolitan police officers do not use other than standard issue truncheons; and how many have been found in possession of such weapons since January 1980.

Mr. Giles Shaw: I understand from the Commissioner of Police of the Metropolis that uniformed constables produce their truncheons to a senior officer when they are briefed for duty. When any officer has occasion to use or draw his truncheon he is required to submit it for inspection by his station officer as soon as practicable. No central record is keep of instances of officers being found in possession of truncheons that are not of standard issue.

Mr. Dobson asked the Secretary of State for the Home Department whether the defensive role of truncheons, outlined in Metropolitan Police Instruction Book (ch. 10) and Stones Justices Manual (p. 36), applies in all circumstances.

Mr. Giles Shaw: I understand from the Commissioner of Police of the Metropolis that all truncheons are issued for use in a defensive role.

Notifiable Crimes

Mrs. Renée Short asked the Secretary of State for the Home Department if he will list the number of notifiable criminal offences which were recorded by the West Midlands police constabulary and the Metropolitan police force in each single year since 1979.

Mr. Mellor: Statistics of notifiable offences recorded by the police in each police force area are published annually in "Criminal Statistics, England and Wales" (Tables 2.4-2·7 of the volume for 1983, Cmnd. 9349). Corresponding figures for 1984 were published in a Home Office Statistical Bulletin, Issue 6/85, on 12 March 1985.

Police (Additional Resources)

Mr. Renée Short asked the Secretary of State for the Home Department what additional resources he intends to make available to the West Midlands and Metropolitan police forces to enable them to deploy greater manpower.

Mr. Giles Shaw: It is for the West Midlands police authority to determine the police budget. Fifty per cent. of the authority's expenditure will be met by the Home Office through police grant.

The Metropolitan Police cash limit of £763·184 million which, as police authority for the Metropolis, my right hon. and learned Friend announced to the House on 14 February at column 237 represents an increase of 5 per cent. on the equivalent figure for 1984-85 and allows for an increase of 50 police and 132 civil staff posts to bring the police establishment to 27,165 and the civil staff ceiling to 13,482.

HOUSE OF COMMONS

American Bar Association

Mr. Bright asked the Lord Privy Seal if he will make a statement about access to Westminster Hall during the inaugural session of the Assembly of the American Bar Association on Monday 15 July.

Mr. Biffen: Westminster Hall will be closed to Members' parties on Friday 12 July and on Monday 15 July. Arrangements are in hand to ensure that Members are inconvenienced as little as possible. Notices will be published in the all-party *Whip* this week and next.

DEFENCE

Training Land

Mr. Maclean asked the Secretary of State for Defence how much land he has already purchased at Warcop since 1979 for dry training purposes; and to what extent such land is contiguous to the present range.

Mr. Lee: We have purchased some 36 acres of land at Warcop for dry training in two lots since 1979. The larger of these, a 35-acre field, is connected with the existing range by the smaller, a 7m-wide strip, which is used for access purposes only.

Mr. Maclean asked the Secretary of State for Defence what studies have been carried out into the potential use of land to the north west and south east of the present firing posts on Warcop ranges for the purposes of dry training.

Mr. Lee: None.

Mr. Maclean asked the Secretary of State for Defence what studies have been made of the use of land at Spadeadam for infantry dry training areas.

Mr. Lee: Infantry dry training is already carried out at Spadeadam.

Mr. Maclean asked the Secretary of State for Defence if he will make it his policy that orienteering and map reading exercises undertaken on the land he proposes to purchase at Warcop for dry training will be wholly confined within the boundaries of the dry training area.

Mr. Lee: It is our policy that dry training exercises, including orienteering and map reading, may be undertaken outside military training area boundaries subject to the prior agreement of private landowners.

Cruise Missiles

Mr. Andrew F. Bennett asked the Secretary of State for Defence whether Her Majesty's Government have been consulted by the United States Administration about current improvements in the range and capability of cruise missiles based in the United Kingdom; and if he will make a statement.

Mr. Stanley: I understand from the United States authorities that no such improvements that are of material significance are currently being made.

Mr. Andrew F. Bennett asked the Secretary of State for Defence whether Her Majesty's Government have been consulted about changes in the targeting arrangements for United States Air Force ground-launched cruise missiles stationed in the United Kingdom; and if he will make a statement.

Mr. Stanley: I refer the hon. Member to the reply I gave to the hon. Member for Walthamstow (Mr. Deakins) on 17 January 1985, at column 185.

Mr. Andrew F. Bennett asked the Secretary of State for Defence if Her Majesty's Government will make it their policy not to accede to any request from the Administration of the United States of America for either temporary or permanent United Kingdom basing facilities for United States Air Force B-52 strategic bombers, carrying, or equipped to carry, air-launched cruise missiles; and if he will make a statement;

(2) if Her Majesty's Government have received any representations from any branch of the United States Administration with regard to the possible provision of temporary or permanent United Kingdom basing facilities for United States Air Force B-52 strategic bomber aircraft, of any category, equipped with, or with the capability to carry, internal or external air-launched cruise missiles; and if he will make a statement.

Mr. Lee: I have nothing to add to the answer my right hon. Friend gave the hon. Member on 18 June 1984.

United States Air Force

Mr. Andrew F. Bennett asked the Secretary of State for Defence what is the operational purpose of stationing seven United States Air Force B-52G strategic bombers at RAF Fairford; on how many occasions in the last five years the number of United States Air Force aircraft stationed here has exceeded this figure; and if he will make a statement.

Mr. Lee: This is a temporary deployment, from 24 May to 20 June. A series of such deployments of B52 aircraft take place each year in support of NATO exercises and are designed to test the United States Air Force's

conventional capability in the NATO area. Previous such deployments have been on a smaller scale: the present, larger, deployment is of greater training value.

Mr. Andrew F. Bennett asked the Secretary of State for Defence if he will publish the number of deployments of United States Air Force aircraft at RAF airfields in the United Kingdom for the years 1982, 1983, 1984 and the numbers planned for 1985.

Mr. Lee: This information is not held centrally.

Mr. Andrew F. Bennett asked the Secretary of State for Defence what is the operational purpose of the stationing of United States Air Force A-7 attack aircraft at RAF Waddington; and if he will make a statement.

Mr. Lee: 36 USAF A7 Corsair aircraft were temporarily deployed to RAF Waddington from 11 May to 8 June 1985. This was a routine training deployment, designed to familiarise USAF aircrew with operations in European airspace.

Mr. Andrew F. Bennett asked the Secretary of State for Defence what is the operational purpose of the proposed stationing of United States Air Force F-4D Phantom aircraft at RAF Lossiemouth in the autumn of 1985; and if he will make a statement.

Mr. Lee: A temporary exercise deployment is under consideration but no decision has been reached.

Private Security Firms

Mr. Hicks asked the Secretary of State for Defence if he has any plans to introduce private security firms to undertake security and fire-guarding responsibilities at 10 military victualling and stores depots, including Wilcove, Torpoint; and if he will make a statement.

Mr. Lee: The acceptability and cost-effectiveness of using contractors to undertake such tasks are under study. There will be full consultation with the trades unions concerned before decisions are reached.

Molesworth

Mr. D. E. Thomas asked the Secretary of State for Defence on what date the Property Services Agency's map of Molesworth was released for publication; whether publication of this kind of material is normal practice; and if he will make a statement.

Mr. Lee: A plan indicating the boundary of the protected area of RAF Molesworth was published when draft byelaws for the establishment were advertised for public comment on 25 February 1985. The normal practice is for byelaws relating to military lands to have a plan of the area attached in order to assist the public.

Mr. D. E. Thomas asked the Secretary of State for Defence to what specifications the Property Services Agency worked in the design of Molesworth's bunkers and the remainder of the base.

Mr. Lee: The works at RAF Molesworth will be constricted to the relevant NATO specifications and USAF requirements. They will comply with all United Kingdom domestic building standards and health and safety legislation.

Alconbury and Upwood

Mr. D. E. Thomas asked the Secretary of State for Defence if he will list the numbers of civil servants employed at USAF/RAF Alconbury and Upwood for each year from 1980.

Mr. Lee: The total number of MOD and PSA civil servants employed at RAF Alconbury is 373, and at RAF Upwood, 16. In 1980 there were 299 civil servants at RAF Alconbury; in 1981, 305; in 1982, 345; in 1983, 381 and in 1984, 383. The figures for RAF Upwood are a total of four civil servants employed from 1980 to 1982 inclusive then 12 in 1983 and 14 in 1984.

Airborne Early Warning System

Mr. Favell asked the Secretary of State for Defence if he will make a statement on the implications for the Nimrod airborne early warning programme of the proposed joint development of an airborne early warning system by General Electric Company, Marconi and Lockheed.

Mr. Butler [*pursuant to his reply*, 17 June 1985, c. *38-39*]: GEC Avionics has assured officials of my Department, and is being asked to confirm in writing, that any work by this company on a variant of the mission system avionics under development for the Nimrod AEW would have no adverse effect on the Nimrod AEW programme.

EMPLOYMENT

Job Creation

Mr. Pike asked the Secretary of State for Employment what were the net gains or losses in jobs in *(a)* manufacturing industries, *(b)* mining, *(c)* railways, *(d)* steel and shipbuilding and *(e)* service industries in England in each of the last five years.

Mr. Alan Clark: Information about job gains and job losses is not available from the Department's statistics, but an indication of the net changes can be seen by comparing levels of employees in employment at different dates.

The tables give the change in the number of employees in employment between December each year for the period specified, analysed according to the 1980 Standard Industrial Classification (SIC).

Table 1 gives information about manufacturing industries and service industries in England, while table 2 gives corresponding details of the other industries, but for Great Britain. Information for England is not available for these industries.

Table 1 Employees in Employment—England (thousands)

	Divisions of the 1980 SIC	Change between December each year				
		1979-80	1980-81	1981-82	1982-83	1983-84
Manufacturing industries	2-4	−531	−405	−272	−141	−32
Service industries	6-9	−118	−143	−80	+237	+215

Table 2 Employees in Employment—Great Britain (thousands)

	Headings of the 1980 SIC	Change between December each year				
		1979-80	1980-81	1981-82	1982-83	1983-84
Deep coal mines	1.113					
Extraction of mineral oil and natural gas	130					
Extraction and preparation of metalliferous ores	210	−3·4	−11·5	−8·8	−21·2	−13·2
Extraction of minerals not elsewhere specified	230					
Railways	710	−3·9	−7·3	−9·2	−6·9	−8·7
Iron and steel industry	221					
Steel tubes	222					
Drawing, cold rolling and cold forming of steel	223	−55·8	−31·7	−23·7	−24·6	−17·5
Shipbuilding and repairing	361					

Labour Statistics

Mr. Pike asked the Secretary of State for Employment how many people were employed in the electronics industry in England in 1979 and the latest date for which figures are available.

Mr. Alan Clark: The table gives, for Great Britain (figures for England are not available), the estimated number of employees in employment in June 1979 and April 1985 in the electronics industries specified. The figures for April 1985 are provisional.

Employees in employment—Great Britain

1980 Standard Industrial Classification	June 1979	April 1985
Electronic data processing equipment (Activity Heading 3302)	49,900	70,400
Telecommunications equipment, electrical measuring equipment, electronic capital goods and passive electronic components (Group 344)	208,000	200,600
Other electronic equipment (Group 345)	149,700	132,700
Total of above	407,700	403,700

Mr. Pike asked the Secretary of State for Employment what is the number of young people who have become unemployed and who have registered at unemployment offices in each travel-to-work area in Lancashire for the last 12-month period for which figures are available.

Mr. Alan Clark: The following information is in the Library. The table shows the numbers of occasions a person under 18 became an unemployed claimant over the period May 1984 to May 1985 for each old travel-to-work area in Lancashire. Many of these new claimants will have since ceased to claim benefit. The number unemployed, under 18, in each travel-to-work area at the beginning and end of the period is also given in the table. The figures exclude those unemployed persons whose claims are not dealt with by computer. Information for the new travel-to-work areas will be available shortly.

Old travel-to-work area	Number of Claims May 1984-May 1985	Total unemployed under 18 years of age	
		At May 1984	At May 1985
Accrington	811	238	267
Barnoldswick	133	32	39
Blackburn	1,882	454	572
Blackpool	3,163	852	932
Burnley	1,102	331	330
Clitheroe	194	30	38
Lancaster	1,371	338	406
Nelson	741	150	164
Ormskirk	1,344	412	454
Preston	3,530	965	1,118
Rossendale	449	117	115

Mr. Nellist asked the Secretary of State for Employment how many people in (i) Coventry, (ii) the west midlands and (iii) nationally have been unemployed *(a)* between one and two years, *(b)* between two and three years, *(c)* between three and four years, *(d)* between four and five years, *(e)* between five and six years, *(f)* between six and seven years and *(g)* more than seven years.

Mr. Alan Clark: The following information is in the Library. The figures relate to 11 April 1985, the latest date for which the available information on unemployment by duration is produced.

Unemployed Claimants 11 April 1985

Duration of unemployment	*Former Coventry Travel-to-Work-Area*	*West Midlands Region*	*United Kingdom*
over one and up to two years	6,584	59,738	544,074
over two and up to three years	3,869	38,103	305,772
over three and up to four years	2,899	28,641	204,693
over four and up to five years	2,328	21,364	143,368
over five years	1,620	16,298	136,254

Pesticides

Mr. Nellist asked the Secretary of State for Employment what information is available to his Department about which countries currently ban the use of the chemical 2,4,5-T or 2,4-D.

Mr. Peter Bottomley: A complete list of countries which have banned the chemical 2,4,5-T or 2,4-D is not available. Information is available from the "Consolidated List of Products whose Consumption and/or Sale have been Banned, Withdrawn, Severely Restricted or Not Approved by Governments". This list is prepared by the United Nations Secretariat in response to General Assembly resolution 37/137.

Factory Inspectorate (Prosecutions)

Mr. Nellist asked the Secretary of State for Employment if he will list, for each of the last 10 years, and at 1985 prices, the average penalty imposed following a prosecution by the factory inspectorate.

Mr. Peter Bottomley: The average penalty imposed on conviction following a prosecution by Her Majesty's Factory Inspectorate for each of the last 10 years relative to the retail prices index at 1 January 1985 is as follows:

Average penalty relative to 1 January 1985 prices

Year	£
1975	216
1976	215
1977	208
1978	245
1979	317
1980	266
1981	251
1982	274
1983	285
1984*	340

* Provisional.

Youth Training Scheme

Mrs. René Short asked the Secretary of State for Employment if he will list the number of companies located in the west midlands region who are presently employing young people within the framework of the youth training scheme.

Mr. Peter Morrison: I shall reply to the hon. Member as soon as possible.

Local Government Reform

Mr. Andrew F. Bennett asked the Secretary of State for Employment what are the reasons for the recent decision to enter into a lease for additional office accommodation at Sunley buildings, Manchester; and whether any of the additional accommodation will be required for the Department of Environment staff after the abolition of the Greater Manchester Council.

Sir George Young: I have been asked to reply.

Two additional floors in Sunley buildings, Manchester were taken by PSA for Department of Trade and Industry, which is rationalising its organisation following recent changes. The Department of Environment has not sought any additional accommodation in Sunley buildings.

WALES

Education Expenditure

Mr. Andrew F. Bennett asked the Secretary of State for Wales what is the present per pupil expenditure on books and on equipment in *(a)* primary schools, *(b)* special schools and *(c)* secondary schools; and what are the comparable figures for each of the last five years in cash terms and real terms using 1984-85 prices and using an index of 100 for 1979-80.

Mr. John Stradling Thomas: The latest available figures relate to 1983-84. Figures at constant prices have therefore been expressed at 1983-84 prices.

Expenditure (£'s per pupil) on books and equipment, at outturn prices

	1979-80	*1980-81*	*1981-82*	*1982-83*	*1983-84*
Primary Schools	12·7	14·6	16·2	18·5	19·8
Special Education*	42·2	40·9	59·5	54·7	57·9
Secondary Schools	22·8	25·2	28·4	33·5	37·4

*Expenditure on books and equipment, at 1983-84 prices**

	1979-80	*1980-81*	*1981-82*	*1982-83*	*1983-84*
Primary Schools:					
£'s per pupil	18·5	17·9	18·1	19·3	19·6
Index (1979-80=100)	100·0	96·8	97·8	104·3	107·0
Special Education*:					
£'s per pupil	61·6	50·3	66·5	57·2	57·9
Index	100·0	81·7	108·0	92·9	94·0

	1979-80	1980-81	1981-82	1982-83	1983-84
Secondary Schools:					
£'s per pupil	33·3	31·0	31·8	35·0	37·4
Index	100·0	93·1	95·5	105·1	112·3

* Figures relate to the education of pupils at maintained special schools and other special education provided elsewhere than at school. Expenditure on special education in primary and secondary schools is included in the primary and secondary school unit costs.
† Expenditure deflated to 1983-84 prices using the GDP deflator.

Pupil-teacher Ratio

Mr. Andrew F. Bennett asked the Secretary of State for Wales if he will publish the latest pupil-teacher ratio for Wales, excluding head teachers.

Mr. Wyn Roberts: The overall pupil-teacher ratio in maintained nursery, primary and secondary schools in Wales in January 1984 was 17·3. If, exceptionally, headteachers are excluded from the calculation, it is estimated that the ratio would be 18·7.

Welsh Water Authority (Contracts)

Mr. D. E. Thomas asked the Secretary of State for Wales how many main contracts have been awarded by the Welsh water authority in each year since 1979; and how many companies to which contracts were awarded had their main offices in Wales.

Mr. Wyn Roberts: This is a matter for the Welsh water authority. I have asked the chairman to write to the hon. Gentleman.

Dyfed Education Authority

Dr. Roger Thomas asked the Secretary of State for Wales what steps he plans to seek to ensure that Dyfed education authority takes corrective action in response to criticism in Her Majesty's inspectors' report of 14 June with regard to deficiencies in the authority's provision for pupils with average and below average ability; and if he will make a statement.

Mr. Wyn Roberts: Reports by Her Majesty's Inspectorate on individual educational institutions or education generally within a local education authority area are sent to the appropriate county council with a formal request for details of the action the authority proposes to take on matters raised in the report. This standard practice has applied in respect of the report on educational provision in Dyfed local education authority published on 14 June.

SOCIAL SERVICES

Drug Addicts

Mr. Pike asked the Secretary of State for Social Services what National Health Service facilities are now available for the treatment of drug addicts in Lancashire.

Mr. John Patten: Drug misusers in Lancashire may receive NHS treatment locally from primary health care teams or the general psychiatric services, or they may be referred to the regional drug dependency unit at Prestwich hospital, Salford. In addition, community drug problem teams are currently being set up in four Lancashire districts and the North Western regional health authority intends that such teams should be set up in the remaining districts within the next two years. More information on this is contained in the report "Drug Misuse: Prevalence and Service Provision", copies of which are in the Library.

Nuclear Installations (Down's Syndrome)

Mr. Ashdown asked the Secretary of State for Social Services what steps have been taken by his Department to investigate the possible increased incidence of Down's syndrome in relation to nuclear installations; and if he will make a statement.

Mr. Kenneth Clarke: We continually examine available evidence. The Office of Population Censuses and Surveys monitors monthly returns from health authorities of congenital malformations and, in response to allegations of a high incidence of Down's syndrome around Sellafield last year, undertook a detailed scrutiny of statistics for that area. There is no evidence from this monitoring to relate the incidence of Down's syndrome to the presence of a nuclear installation. We are not aware of any well documented studies that link Down's syndrome with radioactivity from nuclear installations.

Board and Lodging Payments

Mr. Frank Cook asked the Secretary of State for Social Services what information was used to determine the exemption categories to the restrictions on board and lodging claims by under 26-year-olds provided under the Supplementary Benefit (Requirements and Resources) Miscellaneous Provisions Regulations 1985.

Mr. Whitney: In determining the list of exemption categories we had regard to the suggestions of the Social Security Advisory Committee, representations made both to the Committee during the consultation period and subsequently to Ministers and the advice of Government Departments.

Mr. Frank Cook asked the Secretary of State for Social Services what information was used to determine the weekly upper limits for ordinary board and lodging claims provided under the Supplementary Benefit (Requirements and Resources) Regulations 1985.

Mr. Whitney: The new board and lodging limits were determined after consideration of the existing local limits for ordinary board and lodging accommodation and in the light of information available to the Government from sample surveys on the charges being made for that accommodation. In setting them we also had regard to what we considered was a reasonable amount for supplementary benefit to pay.

Mr. Frank Cook asked the Secretary of State for Social Services what basis was used to determine the time limits on board and lodging claims by under-26-year-olds

provided under the Supplementary Benefit (Requirements and Resources) Miscellaneous Provisions Regulations 1985.

Mr. Whitney: The time limits were based on the periods we considered would be reasonable to give young people an opportunity to seek work in any one area based on the Department of Employment's 'travel to work' areas. The intention was not to allow them to settle down long-term in generally expensive accommodation.

Mr. Chris Smith asked the Secretary of State for Social Services if he will publish the results of the special exercise undertaken in parallel with the December 1983 annual statistical inquiry and of the local office inquiry carried out in April-May 1984 concerning the effects of the November 1983 changes in board and lodging charges.

Mr. Whitney: The results of the special exercise carried out in parallel with the 1983 annual statistical inquiry are not yet available. The local office inquiry carried out in May 1984 was a sample survey only of cases in some 40 local offices. It gave information on the circumstances of individual claimants, including their board and lodging charge, and is therefore not appropriate to be published.

American Medical International

Mr. J. Enoch Powell asked the Secretary of State for Social Services what discussions he has had with American Medical International.

Mr. Kenneth Clarke: We consider that the independent health sector makes an important contribution to the health care facilities which are available, and that it is important for us to keep in touch with the major operators in this field. Consequently, Ministers and officials have frequent contacts with American Medical International and other large private health care companies to discuss matters of mutual interest.

Attendance Allowance

Mr. Ashley asked the Secretary of State for Social Services if he will take steps to ensure that once an attendance allowance is awarded, payment will be backdated to the time of the relevant medical examination.

Mr. Newton: The date from which an attendance allowance award is payable is a matter for the independent adjudicating authorities. It is usually payable either from the date of claim or the date on which the six months qualifying condition is satisfied, whichever is later. The date of the medical examination is not a significant factor in the award. If the right hon. Member has a particular difficulty in mind I shall be pleased to look into it.

Population Statistics

Mr. Phillip Oppenheim asked the Secretary of State for Social Services what has been the population change in the 15 to 24 year age group between 1975 and 1984 in the United Kingdom; and whether he has any information about the comparable figures for the United States of America.

Mr. John Patten: The information requested is as follows:

	Population aged 15 to 24 years		*Change mid-1975 to mid-1984*	
	mid-1975	*mid-1984*	*Number*	*Percentage*
United Kingdom	8,003,000	9,285,000	+1,282,000	+16·0
United States of America	40,540,000	40,078,000	−462,000	−1·1

Mr. Phillip Oppenheim asked the Secretary of State for Social Services what has been the change in the numbers reaching retirement age in the United Kingdom between 1975 and 1984; and whether he has any information about the comparable figures for the United States of America.

Mr. John Patten: The information requested is as follows:

	Number of persons reaching retirement age in the year to*		*Change mid-1975 to mid-1984*	
	Mid 1975	*Mid 1984*	*Number*	*Percentage*
United Kingdom	622,000	540,000	−82,000	−13·2
United States of America	1,847,000	2,138,000	+291,000	+15·8

* Age 65 for males and age 60 for females

Unemployment Benefit

Mr. Hardy asked the Secretary of State for Social Services if he will withdraw the regulations which require that unemployment benefit shall be refused to any applicant who has accepted redundancy as part of a national industrial arrangement.

Mr. Newton: I shall let the hon. Member have a reply as soon as possible.

Limited List Prescribing

Mr. Meadowcroft asked the Secretary of State for Social Services why he is not planning to monitor the price of drugs not now available under the National Health Service since the introduction of the limited list.

Mr. Kenneth Clarke: Because we are only responsible for the National Health Service.

Housing Benefit

Mrs. Renée Short asked the Secretary of State for Social Services if he will list the levels of housing benefit payments which have been made available to single families in each year since 1979.

Mr. Whitney: It is estimated that expenditure on housing benefit received by lone parents is as follows:

	£ million
1982-83	80
1983-84	370
1984-85	430

The information for 1982-83 relates to the partial start of housing benefit from November 1982. Information relating to the former rent rebate and allowance and rent rebate schemes is not easily available.

Sir David Price asked the Secretary of State for Social Services if he will estimate how many local staff of his Department will be fully involved in housing benefit work if the proposals of the review of social security are fully implemented.

Mr. Newton: This cannot be assessed until detailed procedures for administering the new scheme are decided.

Social Security Review

Mrs. Renée Short asked the Secretary of State for Social Services what representations he has received from managing directors of businesses in the west Midlands region about administration of family-credit resulting from his new social security proposals.

Mr. Whitney: We are not aware of any such representations.

Doctors (Hours)

Mrs. Renée Short asked the Secretary of State for Social Services what specific steps he intends to take to reduce the hours presently worked by junior doctors in National Health Service hospitals; and what discussions he intends to have about this with representatives of the medical profession and local health authorities.

Mr. Kenneth Clarke: My reply of 23 May to the hon. Member for Warrington, North (Mr. Hoyle) at columns *538-9* outlined the action we have taken or have in hand to reduce junior doctors' hours. I have placed copies in the Library of a detailed report, which we have recently sent to the Social Services Select Committee. We are continuing to monitor progress, and we shall also co-operate with the independent survey of juniors' hours commissioned by the Review Body on Doctors' and Dentists' Remuneration.

NHS (Training Seminars)

Mrs. Renée Short asked the Secretary of State for Social Services how many seminars have been organised jointly by the National Health Service training authority and the British Medical Association for the purpose of persuading clinicians to enter health service management; in what regions of England and Wales these have taken place; what proportion of them were attended by officials of his Department; and how many clinicians have so far been appointed as managers in the National Health Service.

Mr. Kenneth Clarke: Fifteen such seminars have been held, one in each English region and one in Wales. A medical officer from our Department attended the seminar held in Birmingham.

To date one doctor has been appointed as a regional general manager and 13 doctors have been appointed as district general managers.

Consultants

Mrs. Renée Short asked the Secretary of State for Social Services what proportion of wholly unoccupied consultant posts, consultant posts occupied by locums, consultant posts wholly unoccupied and not occupied by a permanent holder for 12 months or more and consultant posts occupied by locums and not occupied by a permanent holder for 12 months or more in the National Health Service, which were recorded by his Department on 30 September 1984, were in the west midlands region.

Mr. Kenneth Clarke: The information requested is as follows:

Whole time equivalent of consultant posts vacant or without a permanent holder in West Midlands region and England—September 1984

	West Midlands	England	Proportion in West Midlands (per cent.)
(i) Wholly unoccupied	110	703	16
(ii) Occupied by locums	15	174	9
(iii) Posts unoccupied by a permanent holder for 12 months or more:			
(a) wholly unoccupied	39	325	12
(b) occupied by locums	6	69	9

Doctors (Drug References)

Mrs. Renée Short asked the Secretary of State for Social Services what resources he intends to make available to provide general practitioners greater reference facilities to the European and British Pharmacopoeia and the British Pharmaceutical Codex.

Mr. Kenneth Clarke: None.

National Alcohol Forum

Mrs. Renée Short asked the Secretary of State for Social Services what level of financial support his Department intend to give to the National Alcohol Forum.

Mr. John Patten: Officials of this Department have recently held informal discussions with interested bodies about the proposal contained in the Health Departments' discussion document "Drinking Sensibly", to establish an

Alcohol Forum. The question of financial support for a forum is one of a number of matters which will be the subject of further discussions.

Alcoholism

Mrs. Renée Short asked the Secretary of State for Social Services which representatives of brewers, whisky distillers and wine and spirit merchants and charities met recently at his Department to discuss steps to take to curb alcoholism.

Mr. John Patten: The bodies represented, were the Brewers' Society, the Scotch Whisky Association, the Wine and Spirits Association, the Health Education Council and Alcohol Concern.

Dentists

Lord James Douglas-Hamilton asked the Secretary of State for Social Services how many dentists there are in England and Wales per head of population.

Mr. Kenneth Clarke: As at 30 September 1984 there were approximately 0·36 dentists (that is, general dental practitioners and members of the hospital and community dental services) per 1,000 population in England and Wales.

Teeth

Lord James Douglas-Hamilton asked the Secretary of State for Social Services what proportion of adults in England and Wales have had all their natural teeth removed or extracted.

Mr. Kenneth Clarke: The 1978 survey of adult dental health in England and Wales indicated that 29 per cent. of the population aged 16 and over had no natural teeth.

Industrial Injuries Scheme

Mr. Dixon asked the Secretary of State for Social Services if he will take steps to extend the industrial injuries scheme to workers injured in the Falkland Islands.

Mr. Newton: There are regulations in force in the Falkland Islands covering workmen's compensation for industrial injuries. I understand the hon. Member may have a particular case of injury in mind. I am seeking further information about this, and will write to the hon. Member as soon as possible.

Stanley Royd Hospital, Wakefield

Mrs. Reneé Short asked the Secretary of State for Social Services when he expects the investigation being presently conducted by the Health and Safety executive into the food poisoning at the Stanley Royd hospital in Wakefield to be concluded; and if he will publish its findings in the *Official Report*.

Mr. John Patten: We are not aware of any investigation of this outbreak by the Health and Safety Executive. Mr. John Hugill is chairman of the committee of inquiry that my right hon. Friend set up into the outbreak and the public hearings of oral evidence were completed on 17 May. We have undertaken to publish the findings of the Committee. We are awaiting its report.

Hospitals (Infection Rates)

Mr. Dobson asked the Secretary of State for Social Services what has been the post surgical infection rate in National Health Service hospitals in each year since 1979.

Mr. Kenneth Clarke [*pursuant to his reply*, 13 June 1985, c. *557*.] The available information is given in the table.

**NHS hospitals*

Year	*Estimated number of inpatient cases with a diagnosis of post-operative infection as percentage of all in-patient cases who undergo operations*
England and Wales	
1979	0·7
1980	0·7
1981	0·7
England	
1982	0·8
1983 (provisional)	0·8

* Excluding psychiatric and maternity hospitals and units

Tinnitus

Mr. Pawsey asked the Secretary of State for Social Services what is the current level of spending on research into the causes and cure of tinnitus and how that compares with 1979.

Mr. Brooke: I have been asked to reply.

The Medical Research Council, which receives its grant-in-aid through the Department, is the main Government agency for the promotion of medical research in the United Kingdom. I understand that in the financial year 1983-84 MRC's expenditure on research on tinnitus was £160,000 compared with £118,000 in the financial year 1981-82. No comparable figures on this condition are available prior to 1981-82, nor as yet for 1984-85.

The council is always willing to consider soundly based research proposals for support through its grant schemes in competition with other applications.

In addition to the work supported by the MRC, at the Institute of Hearing Research and elsewhere, research work on, and relevant to, tinnitus may also be conducted in universities and medical schools using funds allocated for teaching and research on the advice of the University Grants Committee, but details of such work are not collected centrally. The medical charities may also be conducting work in the field.

FOREIGN AND COMMONWEALTH AFFAIRS

Lebanon

Mr. Stephen Ross asked the Secretary of State for Foreign and Commonwealth Affairs what representations he has recently made to the United Nations on the situation in the Lebanon.

Mr. Luce: We supported United Nations Security Council resolution No. 564 of 31 May calling on all parties to help alleviate the suffering resulting from recent violence in Lebanon. We remain in close touch with the United Nations Secretary-General and others concerned.

Falkland Islands

Mr. Warren asked the Secretary of State for Foreign and Commonwealth Affairs what priority Her Majesty's Government are currently giving to the establishment of a 200-mile exclusive fishing zone around the Falklands; and if he will make a statement.

Mr. Renton: We are working actively for the establishment of a multilaterally-based fisheries conservation and management regime around the Falkland Islands.

Statutory Instruments

Mr. Caborn asked the Secretary of State for Foreign and Commonwealth Affairs whether any amendments have been made to Statutory Instruments numbers 277 and 1624 of 1978; and if he will make a statement.

Mr. Malcolm Rifkind: Statutory Instrument 277 of 1978 has been amended by Statutory Instruments Nos. 1034 of 1978 and 1895 of 1978 and Statutory Instrument No. 1671 of 1981. Statutory Instrument No. 1624 of 1978 has been amended by Statutory Instrument No. 1894 of 1978.

Mr. Ewen Fergusson (American Visit)

Mr. Caborn asked the Secretary of State for Foreign and Commonwealth Affairs whom Mr. Ewen Fergusson, deputy under-secretary at the Foreign and Commonwealth Office, met when he visited the United States of America to discuss developments in South Africa earlier in 1985.

Mr. Rifkind: I refer the hon. Member to the reply I gave him on 17 June at column *34*.

Business International Conference (Ministerial Speech)

Mr. Caborn asked the Secretary of State for Foreign and Commonwealth Affairs if he will arrange for the text of the speech by the Minister of State, the hon. Member for Edinburgh, Pentlands (Mr. Rifkind) to the Business International conference in London on 6 June, to be placed in the Library.

Mr. Rifkind: This is not possible. My speech, which was a restatement of existing Government policy, was made without a prepared text.

Victims Against Terrorism

Mr. Caborn asked the Secretary of State for Foreign and Commonwealth Affairs whether officials from his Department met representatives of the organisation Victims Against Terrorism in the week beginning 20 May; and if he will make a statement.

Mr. Rifkind: I refer the hon. Member to the answer I gave the Member for Swansea, East (Mr. Anderson) on 11 June 1985 at column *416*.

Racal

Mr. Caborn asked the Secretary of State for Foreign and Commonwealth Affairs if he will investigate possible violations of Statutory Instrument 277 of 1978 by Racal in providing licences to Grinaker Holdings Ltd. for the manufacture of military equipment in South Africa and Plessey as a result of its provision of technology to South African Micro Electronic Systems.

Mr. Rifkind: If the hon. Member has any information bearing on his question, he should forward it to me and I shall arrange for it to be investigated. I would not be prepared to initiate investigations in the absence of some evidence.

Raoul Wallenberg

Mr. Burt asked the Secretary of State for Foreign and Commonwealth Affairs if he will seek to obtain from the Government of the Union of Soviet Socialist Republics a copy of the report of the death of Raoul Wallenberg; and if he will make a statement.

Mr. Rifkind: The official Soviet version of the events surrounding the reported death of Mr. Wallenberg is contained in a note handed by the then Deputy Minister Gromyko to the Swedish ambassador in Moscow in 1957. This stated that Mr. Wallenberg had died of a heart attack in Lubianka prison in 1947; that all documents relating to the case had disappeared except for a handwritten report by the head of the prison medical service; and that a Minister for State Security, executed in the mid-1950s, had previously misled the Soviet Foreign Ministry about Mr. Wallenberg's presence in the Soviet Union and his alleged death. All subsequent inquiries have been answered by reference to this note.

EC Expenditure

Mr. Teddy Taylor asked the Secretary of State for Foreign and Commonwealth Affairs if the own resources decision made at Fontainebleau makes provision for possible intergovernmental agreements to provide additional sums in the event of the expenditure of the European Economic Community exceeding the new proposed limits; and if he will make a statement.

Mr. Rifkind: The new own resources decision, like the existing own resources decision, makes no provision for additional sums to be made available in the event of the VAT ceiling being reached but neither does it exclude them. Sums provided under intergovernmental agreements are not own resources.

Foreign Affairs Council

Mr. Hirst asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the Foreign Affairs Council of 18 and 19 June.

Sir Geoffrey Howe: I represented the United Kingdom at the Foreign Affairs Council which met in Luxembourg on 18 June, and our permanent representative to the European Communities, Sir Michael Butler, did so when the Council continued on 19 June.

The Council adopted a declaration recalling that GATT proceedings against Japan had been suspended while bilateral discussions continued and expressing its concern over the lack of progress made by Japan in opening up its market. It contrasted Japan's shared responsibility to preserve and strengthen the open multilateral trading system, from which Japan benefits so much, with her relatively low propensity to import manufactures. The declaration, which will form the background to Prime Minister's Nakasone's visit to Brussels on 19 July, noted that the three-year action programme being prepared by the Japanese Government will be credible only if it

embraces a clearly verifiable commitment to a significant and sustained increase in imports of manufactures and processed agricultural products into Japan and similar importance is attached to the liberalisation of financial markets and the internationalisation of the yen.

The Council adopted a declaration on a dispute in the GATT between the Community and the United States on the Community's import regime for citrus products, expressing the Community's hope that all trade issues which divide the Community and the United States might be resolved amicably, but warning that, if the United States takes unilateral action on this question, the Community would be obliged to take counter-action.

The Commission reported to the Council on the demarche by the Polish Government, currently in the chair of the Council for Mutual Economic Assistance (COMECON), on closer links with the Community, which is to be considered further by member states.

There was a brief discussion on integrated Mediterranean programmes. The Council will meet on 25 June to discuss the Commission's latest draft regulation in greater detail.

The Council agreed a negotiating mandate for the second EC-Yugoslavia financial protocol, and an EC-Yugoslavia co-operation council was held. There was also discussion about the terms of a new financing regulation for Mediterranean financial protocols.

Ministers also discussed informally on 18 June preparations for the meeting of the European Council at Milan on 28-29 June. There was broad agreement with our view that the European Council must aim to take the key decisions which would contribute, in real and practical ways, to the development of the Community.

AGRICULTURE, FISHERIES AND FOOD

European Community (Cane Sugar)

1. **Mr. Malins** asked the Minister of Agriculture, Fisheries and Food what discussions he has had about the impact of Portugal's membership of the European Community on future supplies of African, Caribbean and Pacific ocean countries raw cane sugar into the European Economic Community.

Mr. MacGregor: My right hon. Friend and I are in regular contact with the sugar industry on current issues, including the possible impact of Portugal's membership of the European Community and future supplies of ACP raw cane sugar.

Animal Welfare

12. **Mr. Greg Knight** asked the Minister of Agriculture, Fisheries and Food when he expects to be able to announce what action Her Majesty's Government propose to take on the recommendations made by the Farm Animal Welfare Council.

Mrs. Fenner: I understand that my hon. Friend is referring to the Council's report on red meat animals at the time of slaughter. The report raises a number of important issues to which we plan to issue our response within the next two months.

Herons and Cormorants

13. **Mr. Kilroy-Silk** asked the Minister of Agriculture, Fisheries and Food if he will list all those organisations that have received licences to kill *(a)* herons and *(b)* cormorants in 1985.

Mrs. Fenner: I refer the hon. Member to the replies I gave him on 25 and 30 April. No licences to kill either cormorants or herons have been issued by my Department in 1985. Of the licences to kill cormorants issued in 1984, one issued to a "put and take" fishery remains valid until October 1985.

Fishing Industry

14. **Mr. Austin Mitchell** asked the Minister of Agriculture, Fisheries and Food what proposals he has for underwriting and subsidising loans for the purchase or modernisation of fishing vessels.

Mr. MacGregor: The Government already provide funds to enable the Sea Fish Industry Authority to make loans for the construction or modernisation of fishing vessels at commercial rates.

16. **Mr. Beith** asked the Minister of Agriculture, Fisheries and Food whether he is satisfied with the operation of the decommissioning scheme so far as it affects the inshore fishing industry.

Mr. MacGregor: I am satisfied that the decommissioning scheme has offered and is offering valuable assistance to owners of inshore fishing vessels who wish to withdraw them from fishing.

Cereal and Oilseed Rape Prices

15. **Mr. Freud** asked the Minister of Agriculture, Fisheries and Food when he expects to reach agreement on cereal and oilseed rape prices with his European Economic Community colleagues.

Mr. Jopling: I refer the hon. Member to the statement I made to the House on 13 June.

Export Payments (Refunds)

17. **Mr. Amess** asked the Minister of Agriculture, Fisheries and Food if he is satisfied with the amount of time it takes for the Intervention Board for Agricultural Payments to refund export payments under the common agricultural policy.

Mr. MacGregor: The board normally pays export refunds within four weeks, a similar time scale to general commercial practice. Regrettably there have been delays recently in the beef sector but these are being overcome.

Minced Meat

18. **Sir Peter Mills** asked the Minister of Agriculture, Fisheries and Food why pure minced meat cannot be exported but ordinary meat can.

Mrs. Fenner: The Government do not restrict the export of minced meat. But many countries have strict controls on import of uncooked mince on animal and public health grounds.

Sir Peter Mills asked the Minister of Agriculture, Fisheries and Food if he will seek to persuade the Council of Ministers to allow third country export subsidies on pure beef mince.

Mr. MacGregor: Decisions on eligibility for export restitutions are a matter for the European Commission. The Commission consider that export restitutions on beef mince would be inappropriate because of the practical difficulties of controlling the nature and content of the product.

Grain Surplus

19. **Sir William van Straubenzee** asked the Minister of Agriculture, Fisheries and Food what discussions he has recently had with his fellow EEC Ministers of Agriculture as to the surplus of grain in the EEC.

Mr. MacGregor: I and my fellow Agriculture Ministers have met several times over the past few months in an attempt to settle the support price for cereals in 1985-86, most recently on 11 and 12 June.

Dairy Herd

20. **Mr. Hardy** asked the Minister of Agriculture, Fisheries and Food what is his estimate of the size of the national dairy herd at the present time; by what proportion this has reduced in the last four years; and how this contraction in the United Kingdom compares with that in other member states of the Community.

Mr. MacGregor: The most recent estimates available indicate that in December 1984 there were 3,311,000 dairy cows in the national dairy herd. This represents an increase of about 1 per cent. on December 1980. For the Community as a whole the dairy herd has declined by 0·5 per cent. over the same period.

Cereals

21. **Mr. Latham** asked the Minister of Agriculture, Fisheries and Food what is the latest position over the Common Market price negotiations on cereals.

Mr. Jopling: I refer my hon. Friend to the reply I gave earlier today to the hon. Member for Cambridgeshire, North-East (Mr. Freud).

26. **Mr. Home Robertson** asked the Minister of Agriculture, Fisheries and Food what percentage reduction in cereal prices he estimates would be necessary to bring supply into line with demand, allowing for reasonable provision for contingencies and seasonal factors.

Mr. MacGregor: I refer the hon. Member to the answer I gave to the hon. Member for Great Grimsby (Mr. Mitchell) on 17 December 1984.

28. **Dr. Twinn** asked the Minister of Agriculture, Fisheries and Food what representations he has received from the food industry about the likely future character of cereals required to meet consumer demand for particular types of bread and other flour products; and if he will make a statement.

Mr. MacGregor: None. It is important that United Kingdom millers have access to sufficient supplies of home-grown wheats that have the right properties to enable them to further reduce their requirement for imported wheat, and I would urge all sections of the United Kingdom cereals industry to continue paying attention to the importance of gearing production and marketing to the needs of the market. Improvement in milling technology and incorporation of wheat gluten has enabled our millers to increase their use of home-grown wheat in the gist from 55 per cent. in 1979 to 82 per cent. this year.

31. **Mr. Geraint Howells** asked the Minister of Agriculture, Fisheries and Food if he has any plans to seek to introduce a quota system for cereals grown in the United Kingdom; and if he will make a statement.

Mr. Jopling: No. The common agricultural policy as it affects cereals is a matter for the Community as a whole. Throughout the recent price-fixing negotiations I urged on my fellow Agriculture Ministers the need for a long-term policy of price restraint.

33. **Mr. Yeo** asked the Minister of Agriculture, Fisheries and Food what is his latest forecast of cereal output in the United Kingdom in the current year.

Mr. MacGregor: It is not possible to produce a reasonably accurate forecast of United Kingdom cereal output this year until harvest time.

Mr. Deakins asked the Minister of Agriculture, Fisheries and Food what was the anticipated expenditure on cereals in the European Economic Community for 1985; and what saving would have resulted from the Commission's proposal for a 1·8 per cent. reduction in cereal prices.

Mr. MacGregor: The 1985 Budget provides 2,325 mecu for expenditure on cereals. It was drawn up on the basis of the Commission's original price proposals which included a 3·6 per cent. cut, so a move to a cut of 1·8 per cent. would have represented an increase in expenditure compared with this provision. The package containing the proposal for a 1·8 per cent. reduction also, however, included a change in the proposed level of carry over payments which would have more than offset the effect of the price change, leaving a net saving compared with the budget provision of 83 mecu.

Intensive Farming

22. **Mr. Alton** asked the Minister of Agriculture, Fisheries and Food what studies he has made of the environmental and economic consequences of intensive farming.

Mrs. Fenner: A large proportion of individual studies within my Department's programme for research and development provide information relevant to a wide range of farm types and farming systems. Information on all these R and D studies is available in my Department's annual report on research and development which is available in the Library of the House.

National Farmers Union

23. **Mr. Colvin** asked the Minister of Agriculture, Fisheries and Food whether he has any plans to meet the National Farmers Union.

Mr. Jopling: I am in regular contact with representatives of the National Farmers Union.

Urban Farms

24. **Mr. Simon Hughes** asked the Minister of Agriculture, Fisheries and Food if he will take steps to foster the development of urban farms.

Mrs. Fenner: Commercial agricultural enterprises which meet the conditions of eligibility set out in relevant schemes established under EC and national legislation can apply for a range of grants. The Agricultural Development and Advisory Service also provides technical advice and instruction on agricultural and related matters to the agricultural, horticultural and associated industries.

Milk Quotas

25. **Mr. Kirkwood** asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the implementation and the future of the present milk quotas.

Mr. Jopling: I am pleased to say that virtually all producers in Great Britain have now been notified of their quotas for 1985-86. This includes restoration of 1983 levels for about 40 per cent. of all dairy farmers. Producers are therefore in a position to plan for the futue.

I very much hope that most of the difficulties inevitably associated with setting up the quota system are now behind us and producers can look forward to a more settled period ahead. There are no plans for continuation of the quota system after the five years originaly proposed for it.

Outgoers Scheme

27. **Mr. Knox** asked the Minister of Agriculture, Fisheries and Food if he will make a statement on progress made on the outgoers scheme for dairy farmers.

Mr. Jopling: By 14 June, 1,590 producers had decided to go out of milk production under the scheme and undertaken to surrender 265 million litres of quota.

This is short of the overall target of 289 million litres we hope to purchase in England and Wales. We have therefore decided, as my hon. Friend announced on 10 June, to reopen the scheme to enable our target to be reached.

Policies and Priorities

29. **Mr. Nelson** asked the Minister of Agriculture, Fisheries and Food whether he will make a statement on the Government's revised policies and priorities for agriculture.

Mr. Jopling: I am still considering whether it would be appropriate to make a formal Government statement.

Soft Fruit

30. **Mr. Heathcoat-Amory** asked the Minister of Agriculture, Fisheries and Food what regulations exist to prevent dumping of soft fruit on the British market.

Mrs. Fenner: The European Community's general anti-dumping provisions, which are set out in regulation 2176/84, apply to soft fruit and soft fruit products. Further European Community regulations provide for frontier measures to be applied in the event of serious disturbance of markets in soft fruit and certain soft fruit products. The products concerned, which can be imported only under licence, are frozen and pulped strawberries and raspberries, and preparations of raspberries. In addition to these regulations, the Government have pressed the European Commission to introduce measures to prevent imports of low priced semi-processed soft fruit from eastern Europe. As a result, the 1984-85 agreement between the European Commission and the Polish authorities that Polish exporters would maintain prices of frozen and pulped strawberries and frozen blackcurrants at those ruling in intra-Community trade has been renewed for a further year. For frozen and pulped raspberries, a new agreement has been concluded for 1985-86 which also covers trade with Yugoslavia and under which the exporters have undertaken to increase free-at-frontier prices for pulp to 569 ecu (£352) per tonne and for frozen raspberries to 829 ecu (£513) per tonne in the case of Poland, and 1,290 ecu (£798) in the case of Yugoslavia.

Surplus Cereals and Beef

32. **Mr. Teddy Taylor** asked the Minister of Agriculture, Fisheries and Food what is the current total of surplus cereals and beef in EEC public and private intervention; and what estimate he has made of the increase in such stocks by the end of 1985.

Mr. MacGregor: Regarding storage figures of cereals and beef held in public intervention and private storage in the European Community I refer the hon. Member to the reply given to my hon. Friend the Member for Gainsborough and Horncastle (Mr. Leigh) on 14 January at column 30. The note referred to in that reply was updated on 18 June. It is not possible to forecast the level of stocks at the end of 1985 which will depend on a number of factors including the size of the cereals harvest and market developments.

Freezer Trawlers

34. **Mr. Wallace** asked the Minister of Agriculture, Fisheries and Food what representations he has received on the grants of pressure stock licences for freezer trawlers.

Mr. MacGregor: I would refer the hon. Member to the written reply which I gave to my hon. Friend the Member for Ryedale (Mr. Spence) on 17 June. The Fisheries Ministers' decisions took account of the representations received from the hon. Member and others.

Agricultural Products (USA Subsidies)

35. **Mr. Jackson** asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the implications for the United Kingdom of recent moves by the United States Government to subsidise the export of certain agricultural products.

Mrs. Fenner: It is too early to quantify the effects of the export enhancement programme announced by the United States authorities on 15 May, which will depend, inter alia, on the nature and extent of such sales and the reaction of other exporting countries.

Research and Development and Advisory Services

Mr. Donald Stewart asked the Minister of Agriculture, Fisheries and Food what is his estimate of the amount spent in each of the last five years on research and development and advisory services in agriculture in England and Wales.

Mr. Jopling: Information about Government expenditure on research in agriculture is given in the Ministry's Annual Reports on Research and Development. The amounts spent in England and Wales are estimated to be:

	£ million
1980-81	94·7
1981-82	111·5
1982-83	124·2
1983-84	128·1
1984-85	*128·8

* Provisional.

The cost of the advisory functions of the Ministry's Agricultural Development and Advisory Service is estimated at:

	£ million
1980-81	29·5
1981-82	33·2
1982-83	34·9
1983-84	37·3
1984-85	*36·2

* Provisional.

Mr. Strang asked the Minister of Agriculture, Fisheries and Food what representations he has received about the proposed cuts in agricultural research and advisory services.

Mr. Jopling: I have received a number of representations expressing concern about the possible impact of the revised provisions for expenditure on research and development and the advisory services.

Sheep Scab

Mr. Geraint Howells asked the Minister of Agriculture, Fisheries and Food how many cases of sheep scab were reported in England during the last 12 months; what were the corresponding figures for the last 10 years; and if he will make a statement.

Mrs. Fenner: Over the past 10 seasonal years (July-June) the number of sheep scab outbreaks in England has been as follows:

	Numbers
1974-75	15
1975-76	142
1976-77	70
1977-78	51
1978-79	56
1979-80	23
1980-81	58
1981-82	46
1982-83	111
1983-84	190

So far this seasonal year there have been a total of 29 confirmed cases.

With the full support of the industry and local authorities, the campaign to control and eradicate sheep scab was stepped up last year, with two compulsory national dipping periods. The overall result has been a significant fall in the number of confirmed cases. However, this co-operative effort must continue if eradication is to be achieved. It has been agreed that there will again be two compulsory national dipping periods this year designed to reduce further the level of disease.

Pigmeat

Mr. Geraint Howells asked the Minister of Agriculture, Fisheries and Food how much subsidy per lb. pig meat is paid from European Economic Community funds to Danish pig producers for exporting pigmeat to the United Kingdom; and if he will make a statement.

Mr. MacGregor: Currently the United Kingdom monetary compensatory amount is positive and that for Denmark is zero; so at present a net levy is charged on all Danish pigmeat coming into the United Kingdom. The current value of the net levy is about 0·6p/lb on bacon sides.

Agricultural Policy

Sir David Price asked the Minister of Agriculture, Fisheries and Food when he expects the Council of Ministers to produce a longer-term policy for European agriculture than the annual price reviews; and if he will make a statement.

Mr. MacGregor: The European Commission intends to publish a consultation paper in the next few weeks reviewing the operation of the Common Agricultural Policy. Following discussions with the interested parties it expects to submit its conclusions to the Council of Ministers in the autumn with the intention that these should be taken into account at the 1986 price fixing.

Diseases of Fish Act 1983

Mr. Corrie asked the Minister of Agriculture, Fisheries and Food when the Diseases of Fish Act 1983 will be implemented; and in particular when the clauses relating to the registering of fish farms in the Diseases of Fish Act 1983 will be implemented.

Mr. MacGregor: The Diseases of Fish Act 1983 was brought into operation on 1 April 1984. It provides powers for a scheme to register fish farms to be introduced by order and I and my right hon. Friends hope to be able to introduce a registration scheme later this year.

Food Labelling

Mr. Meadowcroft asked the Minister of Agriculture, Fisheries and Food what representations he has received concerning the extent to which his current proposals for nutritional food labelling will enable individuals to make a judgment as to the health implications of specific foods.

Mrs. Fenner: We have received a large number of comments on our draft guidelines on nutrition labelling of foods. My officials are now assessing these comments and will be considering how far amendments need to be made to the draft both to encourage the widest use of nutritional labelling by food manufacturers, and to maximise its usefulness and comprehensibility for consumers.

Common Agricultural Policy

Mr. Marlow asked the Minister of Agriculture, Fisheries and Food if he will compare the budgeted expenditure for the common agricultural policy for the current year as set out by the financial mechanism with the actual common agricultural policy expenditure for each of the previous four calendar years, using the current year's budget as 100, comparisons being made on the basis of European currency units.

Mr. Jopling: The financial guideline does not apply to the 1985 budget. The expenditure outturn under the common agricultural policy for the years 1981 to 1984, taking the provision in the 1985 budget as 100 was as follows:

	Expenditure Outturn
1981	55·8
1982	63·0
1983	80·2
1984 (provisional)	92

European Community (Expenditure)

Mr. Teddy Taylor asked the Minister of Agriculture, Fisheries and Food what was the percentage of total European Economic Community spending which was devoted to agriculture; what was the percentage of total European Economic Community spending devoted to the storage or disposal of food surpluses, respectively, in each of the years from 1973 to 1984, respectively; and what estimate he has made of the comparable percentage figures in 1985.

Mr. Jopling: I shall reply to my hon. Friend as soon as possible.

Pesticides

Mr. Nellist asked the Minister of Agriculture, Fisheries and Food (1) what products, currently on sale in Britain, contain the chemicals 2,4,5-T or 2,4-D;

(2) which manufacturers currently produce products containing the chemical 2,4-D.

Mrs. Fenner: I shall reply to the hon. Member as soon as possible.

Food Storage

Mr. Canavan asked the Minister of Agriculture, Fisheries and Food what is the current amount, value, and cost of storage of surplus food in *(a)* the United Kingdom and *(b)* the European Economic Community.

Mr. MacGregor: On 31 May intervention stocks of beef, breadwheat, butter and skimmed milk powder in the United Kingdom were 332,000 tonnes valued at about £500 million using the buying-in prices valid at that date. The cost of storing and handling United Kingdom intervention stocks, including all forms of cereals, in 1984 was some £46 million. The volume of Community stocks of these products at the latest available dates was 6,905,000 tonnes, but these are only valued once a year, on 30 November. Storage and handling costs for other member states' intervention stocks are not available.

Energy Costs

Mr. Hunter asked the Minister of Agriculture, Fisheries and Food if he will increase support for horticultural energy costs.

Mr. Jopling: Grants on investment in energy saving measures in the glasshouse sector are already at substantially higher rates than most other agricultural capital grants.

NORTHERN IRELAND

Rent Payments

Mr. Beggs asked the Secretary of State for Northern Ireland in respect of how many houses in Northern Ireland rent is paid from Department of Health and Social Services funds to the Northern Ireland Housing Executive.

Mr. Chris Patten: The Department of Health and Social Services funds the health and Social Services Boards which pay rent to the Northern Ireland Housing Executive for houses used for Board purposes. Informaion about the number of these houses is not immediately available. I will write to the hon. Gentleman as soon as possible.

Mr. Beggs asked the Secretary of State for Northern Ireland how frequently reviews are carried out to establish the occupanccy of houses for which rent is being paid by the Department of Health and Social Services to the Northern Ireland Housing Executive.

Mr. Chris Patten: Health and Social Services Boards are required by the Department of Health and Social Services to keep all properties including those for which rent is paid to the Northern Ireland Housing Executive under continual review.

Unoccupied Houses

Mr. Beggs asked the Secretary of State for Northern Ireland how many unoccupied houses for which rent is paid by the Department of Health and Social Services to the Northern Ireland Housing Executive have been repossessed in each of the last three years.

Mr. Chris Patten: The information is not readily available. I shall write to the hon. Gentleman as soon as possible.

Pupil Numbers (Strangford)

Mr. John David Taylor asked the Secretary of State for Northern Ireland how many pupils there are at each primary school in the constituency of Strangford; and what were the equivalent figures five years ago.

Mr. Scott: The information is as follows:

Schools	*January 1979 Enrolment*	*January 1984 Enrolment*
Portaferry	32	51
Kirkstown	53	61
Portavogie	159	125
Ballyeasboro	58	49
Victoria, Ballyhalbert	62	73
St. Mary's Girls', Portaferry	171	180
Ballyphilip Boys'	184	173
St. Patrick's, Ballygalget	109	105
Kircubbin	70	59
St. Mary's, Kircubbin	272	258
Ballywalter	172	126
Greyabbey	116	63
Carrowdore	148	153
Millisle	258	234
Ballyvester	20	42
Donaghadee	473	363
Cottown	40	39
St. Anne's Donaghadee	41	48
St. Finian's, Newtownards	246	220
Londonderry	326	257
Victoria, Newtownards	531	674
Newtownards Model	509	517
Castle Gardens	534	555
West Winds	490	343
St. Mary's, Comber	60	38
Comber	644	581
Andrews Memorial	341	481
Ballykeigle	33	59
Killinchy	*217	208
St. Mary's, Ballygowan	68	81
Leadhill	259	194
Braniel	419	319
Belvoir Park	548	348
Cairnshill	533	391
O'Neill Memorial	115	54
Moneyrea	161	138
Newtownbreda	370	349
Carrickmannon	45	47
Loughries	65	58
Alexander Dickson	125	151
Total	9,077	8,265

* Includes enrolments in all those schools which amalgamated to form Killinchy Primary School.

Summer Activity Schemes

Mr. John David Taylor asked the Secretary of State for Northern Ireland what are his present proposals for the summer activity schemes for the mentally handicaped within the district of Ards borough.

Mr. Chris Patten: The provision of services is a matter for the Eastern health and social services board who plan to run a scheme on alternate days for a three-week period at Clifton special care school, Bangor. The scheme will serve children from the district of Ards borough.

Industrial Civil Servants

Mr. McCusker asked the Secretary of State for Northern Ireland how many industrial civil servants are employed by the Northern Ireland Civil Service.

Dr. Boyson: On 1 June 1985, the latest date for which figures are available, 6,036 industrial civil servants were employed by the Northern Ireland Civil Service.

Partition Acts

Mr. McCusker asked the Secretary of State for Northern Ireland when he anticipates introducing legislation to repeal the Partition Acts of 1868 and 1876 in relation to Northern Ireland.

Dr. Boyson: These Acts are currently under examination by the Land Law Working Group, which is preparing wide-ranging recommendations for the reform of land law in Northern Ireland. The working group is preparing its final report, and when this is received the nature of the legislation required in respect of co-ownership and other issues will be considered.

Equal Opportunities

Mr. McCusker asked the Secretary of State for Northern Ireland if he will draw to the attention of the various area health and social service boards the fact that the provisions of the European Economic Community treaty regarding equal treatment for workers of the member states as regards employment do not apply to employment in the public service.

Mr. Chris Patten: The European Court of Justice established that in deciding whether the exception regarding emploment in the public service (as contained in article 48.4 of the EEC Treaty) is applicable in a particular case, not only the status of the employer but also the particular job must be considered. Health and Social Services Boards provide a very wide range of emploment and not all of the categories would fall within the definition of public service. If the hon. Gentleman has a particular category in mind perhaps he would write to me.

Civil Service

Mr. McCusker asked the Secretary of State for Northern Ireland when he expects to publish the most recent findings of the monitoring unit of the Northern Ireland Civil Service.

Dr. Boyson: It is expected that an initial report from the equal opportunities monitoring system, setting out the broad picture of the Northern Ireland Civil Service as at 1 January 1985, will be published by the end of this year. A more comprehensive review covering the calendar year 1985 will be published in mid-1986.

Redundant Churches

Mr. Peter Bruinvels asked the Secretary of State for Northern Ireland what information he has as to the proportion of the total number of redundant churches in Northern Ireland accounted for by the 85 churches eligible for grants as listed buildings.

Mr. Chris Patten: All of the 85 listed churches which would be eligible for grant under the proposed historic churches order are in current ecclesiastical use.

Labour Statistics

Mr. Nellist asked the Secretary of State for Northern Ireland how many people in Northern Ireland have been unemployed for *(a)* one to two years, *(b)* two to three years, *(c)* three to four years, *(d)* four to five years, *(e)* five to six years, *(f)* six to seven years and *g)* over seven years.

Dr. Boyson: The table shows duration of unemployment in Northern Ireland at 9 May 1985. A breakdown of persons unemployed for more than five years is not available.

Duration	*Number unemployed*
One to two years	20,958
Two to three years	13,774
Three to four years	8,821
Four to five years	7,509
Over five years	10,591

Firearms

Mr. William Ross asked the Secretary of State for Northern Ireland how many persons in Northern Ireland now hold firearms certificates; and of these how many are in respect of *(a)* shotguns only, *(b)* rifles only and *(c)* handguns only.

Mr. Scott [*pursuant to his reply*, 12 June 1985, c. *479*]: On 1 June 1985, 86,039 persons in Northern Ireland held firearm certificates. The remaining information is not readily available and could be obtained only at disproportionate cost.

Mr. William Ross asked the Secretary of State for Northern Ireland how many persons in each year since 1 January 1969 are known to have been killed by a legally-held weapon that had been stolen from its owner; in each case what kind of weapon was used; and in each year how many persons were murdered by shooting by a terrorist organisation.

Mr. Scott [*pursuant to his reply*, 12 June 1985, c. *480*]: Whilst it is not possible to be certain of the circumstances in every case, the number of persons believed to have been shot dead by members of terrorist organisations in each year since 1 January 1969 is given in the following table. The additional information sought is not readily available from existing records and could be obtained only at disproportionate cost.

Number of persons shot dead by terrorists

Year	*Deaths*
1969	5
1970	9
1971	71
1972	252
1973	138
1974	139
1975	162
1976	186
1977	82
1978	43
1979	66
1980	47
1981	62
1982	44
1983	44
1984	31
Total	1,381

Prisoners (Suicides)

Mr. Peter Bruinvels asked the Secretary of State for Northern Ireland how many inmates attempted or committed suicide *(a)* in prison and *(b)* in police custody in each of the past five years and to date.

Mr. Scott [*pursuant to his reply*, 18 June 1985, c. *100*]: No person in police custody committed suicide in this period. Information on attempted suicides could be obtained only at disproportionate cost.

The information in respect of persons in prison custody is as follows:

	Self inflicted injuries	*Suicides*
1980	52	—
1981	93	—
1982	52	—
1983	80	—
1984	36	1
*1985	16	1

* Up to 17 June.

Notes:

1. The above figures do not include the 10 inmates who died as a result of hunger strike action in 1981.
2. It is not possible to identify accurately from prison records how many self-inflicted injuries requiring medical attention were attempts at suicide.

North of Scotland Hydro-Electric Board (Borrowings)

Mr. Donald Stewart asked the Secretary of State for Scotland if he will permit the North of Scotland Hydro-Electric Board to borrow on the commercial market.

Mr. Younger: This is already permissible. Such borrowing would count against the board's external financing limit.

Birds of Prey (Poisoning)

Mr. Maclennan asked the Secretary of State for Scotland what was the number of known cases of poisoning of protected birds of prey in Caithness and Sutherland during each of the last five years; and if he will give the comparable figures for *(a)* all other districts of Highland region, *(b)* Grampian region, *(c)* Tayside region, *(d)* the Borders region and *(e)* Dumfries and Galloway region.

Mr. Ancram: All wild birds are protected under the Wildlife and Countryside Act 1981 but some birds of prey are protected by special penalties. In the last five years the number of incidents where specially protected birds were killed as a result of misuse of pesticide or poisoned bait investigated by DAFS were as follows:

Region	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*
Highland	2	4	4	1	3	3
Grampian	2	1	—	—	—	—
Tayside	—	—	1	—	—	—
Borders	—	—	—	—	—	—
Dumfries & Galloway	—	1	1	—	—	—

The information is collected on a regional basis and it is not possible to break the figures down to districts.

Retirement Homes and Sheltered Housing

Mr. Ron Brown asked the Secretary of State for Scotland whether he has any information about the average waiting time that people who have applied for admission to local retirement homes or sheltered housing presently experience, as compared with six years ago in each region of Scotland.

Mr. John MacKay: Information of this kind is not held centrally.

Teachers

Mr. Canavan asked the Secretary of State for Scotland whether, pursuant to his reply to the hon. Member for Falkirk, West on 10 May, *Official Report*, column *518*, he will state the average number of years of payment to recipients out of the Scottish teachers' superannuation scheme, taking into account the contributors to the scheme who have died within their period of service.

Mr. John MacKay: In the year to 31 March 1985, 948 pensioners within the Scottish teachers superannuation scheme died whilst in receipt of pension, and 130 contributors died within their period of service. Taking all these deaths into account, the average number of years of payment to former teachers, rounded down to the nearest whole year, was 14 years. Contributors to the scheme who die within their period of service will not, of course, normally have been in receipt of payments from the scheme, but a gratuity will be payable on death and in some cases pensions will be awarded to dependants.

Asbestos (Glenboig)

Mr. Tom Clarke asked the Secretary of State for Scotland if he will call in the planning approval for Shanks and McEwan which allows the dumping of asbestos at Glenboig prior to holding a public inquiry; and if he will make a statement.

Mr. Ancram: Modification of planning permission or of licences to dispose of waste issued under the Control of Pollution Act 1974 are matters for the planning authority and the waste disposal authority respectively. In this case, Monklands district council is both the planning authority and the waste disposal authority. Under planning legislation, the Secretary of State has no "call in" power once planning permission has been granted and there is no "call in" provision under the Control of Pollution Act 1974. Where an authority proposes to revoke or modify planning permission or a site licence, the holder has a right to have the matter brought before the Secretary of State for determination.

Dentistry

Lord James Douglas-Hamilton asked the Secretary of State for Scotland how many dentists there are in Scotland per head of population.

Mr. John MacKay: The whole-time equivalent number of dentists per head of population in Scotland as at 30 September 1984 is 1:2,607.

Lord James Douglas-Hamilton asked the Secretary of State for Scotland what proportion of adults in Scotland have had all their natural teeth removed or extracted.

Mr. John MacKay: The 1978 adult dental health survey concluded that in that year 39 per cent. of adults in Scotland had no natural teeth. This is the most recent information available.

Lord James Douglas-Hamilton asked the Secretary of State for Scotland how many dental students there have been in Scotland in each of the last 20 years, per head of population; and how many student grants to dental students per head of population there were for the same dates.

Mr. John MacKay: The detail requested on the numbers of dental students, other than for the academic year 1965-66, which is not available, is shown in the table. Information on the numbers of grants to dental students is not readily available and could not be provided except at disproportionate cost.

Academic Year	*Number of dental students*	*Rate per head of population*
1966-67	132	1:39,324
1967-68	137	1:37,858
1968-69	131	1:39,599
1969-70	137	1:37,918
1970-71	149	1:35,067
1971-72	150	1:34,960
1972-73	203	1:25,667
1973-74	178	1:29,279
1974-75	182	1:28,716
1975-76	184	1:28,294
1976-77	190	1:27,395
1977-78	194	1:26,781
1978-79	180	1:28,774
1979-80	187	1:27,631
1980-81	173	1:29,788
1981-82	176	1:29,258
1982-83	169	1:30,571
1983-84	181	1:28,455
1984-85	161	1:31,961

Lord James Douglas-Hamilton asked the Secretary of State for Scotland what is the average cost per patient of dental treatment in Edinburgh, Glasgow and Dundee dental hospitals, respectively.

Mr. John MacKay: The information requested is not collected centrally.

Forestry

Mr. Home Robertson asked the Secretary of State for Scotland, pursuant to his reply of Monday 17 June, *Official Report*, column *30*, which of the 10 instances of retrospective forestry grant awards arose from administrative error, misleading oral advice and misleading written advice, respectively.

Mr. John MacKay: The information is as follows:

Cases where there was an administrative error
- Syke farm
- Thurlow estate

Cases involving misleading written advice
- College estate
- Yonsea farm
- Annat estate
- Strathfillan estate
- Doune estate
- High kiers

Cases involving misleading oral advice
- Exton estate
- Otter estate

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NATIONAL FINANCE

EC (Finance)

Mr. Marlow asked the Chancellor of the Exchequer (1) if he will set out the effective value added tax percentage rate paid into the European Economic Community budget net of rebates corresponding to that year for each of the last four calendar years;

(2) if he will set out an index for *(a)* the Community overall budget and *(b)* the Community agricultural budget for 1985 and each of the preceding four calendar years indexed against a 1985 index in each case of 100;

(3) if he will set out the projected net value added tax percentage contribution to the European Economic Community for 1985 and for each of the last four calendar years according to *(a)* the value added tax share contribution and *(b)* the previous formula;

(4) if he will set out the United Kingdom's financial relationship with the European Economic Community over the last four calendar years and the projected figures for 1985, indicating *(a)* gross contribution, *(b)* net contribution, and *(c)* Community expenditure in the United Kingdom.

Mr. Ian Stewart: I shall let my hon. Friend have a reply as soon as possible.

Mr. Teddy Taylor asked the Chancellor of the Exchequer (1) what has been the total sum contributed by the United Kingdom to the European Economic Community since 1 January 1973; what has been the total amount received in grants, rebates and other payments over the same period; and how much of the total sums received were in respect of payments to facilitate the subsidised export of food to third countries;

(2) what has been the percentage increase in the spending of the European Economic Community on all its activities in each year since 1973, respectively; and what further increase is planned for 1986;

(3) what estimate he has made of the percentage increase in the overall spending of the Common Market which will take place if the value added tax element in its income is increased from 1 to 1·4 per cent.;

(4) what estimate he has made of the increase in the United Kingdom gross contribution to the European Economic Community consequent on the proposal to increase the value added tax contribution from 1 to 1·4 per cent.;

(5) what estimate he has made of the net contribution which the United Kingdom will make to the European Economic Community in 1986 in the event of the own resources of the Community being increased in accordance with the Fontainebleau agreement;

(6) if he will publish a table showing in respect of the calendar years 1985 to 1988, his estimates of the net payments by the United Kingdom to the European Economic Community, pursuant to the estimates given in the public expenditure White Paper for each of the financial years from 1985 to 1988; and if he will also publish a table showing the net contributions by the United Kingdom in each of the calendar years from 1973 to 1984, respectively.

Mr. Ian Stewart: I shall let my hon. Friend have a reply as soon as possible.

EC (Harmonisation)

Mr. Teddy Taylor asked the Chancellor of the Exchequer what is the policy of Her Majesty's Government on the proposals of the EEC Commissioner Lord Cockfield that the Common Market should be facilitated by the harmonisation of indirect taxation and excise duties; and if he will make a statement.

Mr. Ian Stewart: The Commission has not yet made any detailed proposals for the harmonisation of indirect taxation and excise duties. The Government generally welcome the Commission's ideas on the completion of the common market, as represented by their White Paper, although they will clearly require further study. We do not, however, believe that fiscal harmonisation is a prerequisite for the establishment of a common market in goods and services and the Commission's proposals on this aspect may well prove unrealistic.

EC (Overspending)

Mr. Teddy Taylor asked the Chancellor of the Exchequer if the payments which were agreed at the Brussels Council of Ministers on 23 and 24 April to cover the overspending of the Common Market in 1985 will be in the form of a repayable loan or advance; and if he will make a statement.

Mr. Ian Stewart: I refer my hon. Friend to paragraph 3 of the text of the 1985 intergovernmental agreement, deposited in the Library.

TRANSPORT

Vehicle Emissions and Driving Conditions

Mr. Chris Smith asked the Secretary of State for Transport (1) whether he has any intention of increasing controls over vehicle emissions of carbon monoxide, hydrocarbons, or oxides of nitrogen; and if he will make a statement about the effectiveness of present controls in reducing emissions of cars under *(a)* typical driving conditions and *(b)* the European test drive cycle;

(2) if he is satisfied that the European test drive cycle adequately represents average or typical driving conditions in the United Kingdom today.

Mrs. Chalker: Most vehicles are at present subject to type approval regulations limiting the amounts of these three pollutants to the levels permitted under EC directive 78/665/EEC. These levels are reduced by directive 83/351/EEC which we intend to apply in our regulations in due course. All measurements are made under the test cycle prescribed in the directive which is designed to stimulate typical driving conditions in congested urban areas.

The Council of Ministers has recently agreed that work should be done over the next two years to formulate additional non-urban driving sequences so as more adequately to represent modern driving conditions in Europe, and we shall be participating in this work.

Mr. Chris Smith asked the Secretary of State for Transport what study he has made of the effect of traffic growth, as predicted in the new national road traffic forecasts, on the level of carbon monoxide, hydrocarbons, and oxides of nitrogen emitted into the environment.

Mrs. Chalker: No detailed study has been made, but the rate of reduction of maximum levels of these three pollutants permitted from new vehicles coming into service over the next decade is expected to be faster than the forecast rate of increase of road traffic.

Mr. Chris Smith asked the Secretary of State for Transport whether he is satisfied with the present controls on emission of smoke from diesel engines; and what study he has made about whether a higher standard could be *(a)* technically and *(b)* economically achieved.

Mrs. Chalker: The standard for maximum smoke from diesel engines is contained in EC directive 72/306/EEC. There is evidence from a number of sources that a stricter standard is now technically and economically achievable, and we shall be pressing for this in Community discussions on a revision to the directive.

Greece (Airport Security)

Mr. McCrindle asked the Secretary of State for Transport if he will make representations to the Greek aviation authorities in the light of recent evidence of laxity in security at Athens airport, regarding measures to improve the efficiency of personal and baggage checks for travellers using Greek airports.

Mr. Michael Spicer: I am aware that the security arrangements provided by the authorities at Athens are unsatisfactory. The Government are continuing to make representations to the Greek authorities on the screening of passengers and baggage at Athens and they have taken note of our views. For the time being, British Airways will continue to carry out its own screening of passengers at the departure gate.

Road Traffic (Driving Instruction) Act 1984

Mr. Frank Field asked the Secretary of State for Transport when he intends to bring into force the Road Traffic (Driving Instruction) Act 1984.

Mrs. Chalker: Most of the provisions of the Act were introduced on 20 May 1985. Section 1 of the Act relating to a requirement for driving instructors to display their official identification documents in tuition cars has yet to be implemented. Preparation of identification documents suitable for this purpose is in hand and we expect to bring this remaining provision into operation later this year.

Scheduled Air Services

Mrs. Renée Short asked the Secretary of State for Transport what discussions he intends to have with the Governments of the United States of America and of western European countries to provide more scheduled air services from their countries into the west and east midlands.

Mr. Michael Spicer: It is for overseas airlines to decide on commercial grounds whether they wish to serve Birmingham and east midlands airports. At present we have no plans to discuss the possibility of such services with the United States Government, though we are always prepared to consider carefully any proposal put to us. Unused rights are already available to Birmingham from seven western European countries and to east midlands from three. In our discussions with western European

countries we shall be seeking agreements which further widen the choice of United Kingdom airports available to their airlines. And we shall be discussing with the airport authorities their plans for future development.

Fares

Mrs. Dunwoody asked the Secretary of State for Transport if he will provide a table, giving at constant prices the index of fares in each of the last 10 years for *(a)* British Rail, *(b)* municipal operators, *(c)* passenger transport executives, *(d)* the National Bus Company *(e)* the Scottish Bus Group and *(f)* all bus operators on the same basis as the graphs in the White Paper on buses.

Mr. Ridley: Indices of rail and stage bus fares, in real terms, are given in the following table. Separate figures for NBC and SBG cannot readily be provided for the whole of the period.

*Trends in real bus and rail fares**

Great Britain
Index 1972 = 100

	1975	*1976*	*1977*	*1978*	*1979*	*1980*	*1981*	*1982*	*1983*	*1984*
Rail*	99	113	114	120	117	123	126	133	134	129
Bus Operators‡										
Municipal	108	117	118	119	117	123	129	133	136	139
PTEs	97	103	101	107	107	116	112	112	109	103
NBC, SBG and Private	111	117	116	121	121	126	130	134	137	138
All bus operators	102	111	110	115	115	123	124	131	130	127

Sources:
Department of Employment Retail Prices Index.
Department of Transport Stage Bus Fares Index.
* Fare indices deflated by the all-items retail prices index.
† British Rail and London underground. Average fares per passenger-kilometre have moved differently to the fares index because of the greater use made of reduced rate tickets and travelcards.
‡ Stage bus services only.
As grouped in "Buses", Cmnd. 9300.

Dartford Tunnel

Mr. Proctor asked the Secretary of State for Transport what action he is taking to prevent congestion in the future at Dartford tunnel.

Mrs. Chalker: I am aware of the vital importance of the Dartford tunnel in relation to the M25 and to the local economies of Kent and Essex. For these reasons, grants of some £21 million have already been made to Kent and Essex county councils for improvements to the approach roads and toll plazas so that toll collection does not lead to queues.

For the longer term, we must ensure adequate tunnel capacity. In January this year I commissioned consultants to carry out a study of future traffic projections for the tunnel. Their report was received recently and I accept their conclusions and recommendations. In summary, the tunnel is likely to be at the limit of its capacity by the mid-1990s and an engineering study should be carried out to determine the best method of providing additional crossing capacity at Dartford.

After consultation with Kent and Essex county councils, who have joint responsibility for the existing tunnel, I have decided to commission an engineering study, to report as soon as practicable. Any commitment to construction of additional crossing capacity will depend on a sound economic case based on sustained future traffic growth.

I am placing a copy of the traffic study in the Library.

Road Programme

Mr. Robert B. Jones asked the Secretary of State for Transport whether he has completed his review of the road programme; and if he will make a statement.

Mrs. Chalker: I have placed in the Library of the House copies of a report published today which records the outcome of this year's review of the road programme. Copies are also available in the Vote Office. Fifty-one schemes are added to the national programme, worth £311 million in all. The road programme now contains 343 schemes in construction or in preparation with a total value of over £4 billion. The report also sets out in detail the progress made in each of the Department's regions since 1983 and proposals for further study of investment needs.

Written Answers to Questions

Friday 21 June 1985

SOLICITOR-GENERAL FOR SCOTLAND

Protected Birds of Prey (Poisoning)

Mr. Maclennan asked the Solicitor-General for Scotland what was the total number of prosecutions for the poisoning of birds of prey in Caithness and Sutherland in each of the last five years; and if he will give the comparable figures for *(a)* all other districts of Highland region, *(b)* Grampian region, *(c)* Tayside region, *(d)* the Borders region and *(e)* Dumfries and Galloway region.

The Solicitor-General for Scotland: This information is not available.

HOME DEPARTMENT

Youth Custody Centre, Wetherby

Mr. Batiste asked the Secretary of State for the Home Department what changes he is making at the Wetherby youth custody centre; over what period; and with what transitional arrangements.

Mr. Mellor: As my noble Friend has made clear in a letter to my hon. Friend, we have decided that Wetherby should function as a closed youth custody centre when the new open youth custody centre at Thorn Cross is commissioned shortly. A perimeter fence is currently under construction at Wetherby. Redevelopment is planned to begin about the middle of 1987 and will take some years. Wetherby will now remain in continuous use, but during the priod of redevelopment its population will be reduced to approximately 120.

Prisoners (Early Release)

Mrs. Renée Short asked the Secretary of State for the Home Department what proportion of prisoners who had received sentences ranging from 20 to 25 years, 10 to 15 years, five to 10 years and two and a half to five years were granted early releases in each single year since 1979; and what effect this has had on the total prison population.

Mr. Mellor: I shall reply as soon as possible.

Drug Addicts

Mrs. Renée Short asked the Secretary of State for the Home Department (1) if he will list the number of drug addicts in the west midlands county notified to his Department in each single year since 1979;

(2) how many drug addicts were notified to his Department in each single year since 1979.

Mr. Mellor: The information requested for the years 1979 to 1983 is given in tables 3.11 to 3.13 of "Statistics of the Misuse of Drugs, United Kingdom, Supplementary Tables, 1983." The only statistics at present available for 1984 are given in the reply to a question from my hon. Friend the Member for Westminster, North (Mr. Wheeler) on 11 June at columns *394-95*.

Drugs Offences

Mrs. Renée Short asked the Secretary of State for the Home Department what was the number of convictions for being in possession of drugs in each year since 1979.

Mr. Mellor: The information requested for the years 1979 to 1983 is given in table 7 of "Stastistics of the Misuse of Drugs in the United Kingdom, 1983" (Home Office Statistical Bulletin 18/84). Corresponding figures for 1984 are not yet available.

TRANSPORT

Leadenham (Roadworks)

Mr. Douglas Hogg asked the Secretary of State for Transport how many civil servants engaged in work relevant to the construction of a bypass or relief road for Leadenham have fallen sick through overwork during the last 12 months.

Mrs. Chalker: None has fallen sick. All staff are working at fullest capacity on Leadenham and other important trunk road work in Lincolnshire.

London Taxi Fares

Mr. Bendall asked the Secretary of State for Transport whether he will now announce an increase in London taxi fares; and if he will make a statement.

Mr. Ridley: I have made an order increasing London taxi fares wih effect from Sunday 14 July. The overall effect will be to increase fares by about 8·2 per cent. on average.

The new tariff will incorporate a minimum 80p—including an unchanged hiring charge of 40p—for the first 1,068 yards or three minutes and 36 seconds. The rate will then be 20p for every 534 yards or one minute and 48 seconds up to six miles and 20p for each 356 yards or one minute and 12 seconds thereafter. All extra charges remain unchanged.

Roads (Safety Barriers)

Dr. Marek asked the Secretary of State for Transport (1) how many applications by local authorities for the installation of safety barriers on trunk roads have been refused in each of the last five years for which figures are available;

(2) what criteria must be satisfied before safety barriers are installed on trunk roads in England;

(3) what are the current specifications for safety barriers on motorways and on trunk roads;

(4) what data are available to his Department on the performance of road safety barriers;

(5) what is his estimate of the natural life of safety barriers on motorways.

Mrs. Chalker [*pursuant to her reply*, 11 February 1985, c. *25*]: I regret that my reply of 11 February in relation to part 4 of the question was incorrect when it stated that there are two or three cases per year of vehicles penetrating safety fences, causing casualties. I called for further investigations, which have revealed that there has been an average of 27 such cases per year on motorways, over the past three years. Information relating to all-purpose dual carriageway is not available.

TRADE AND INDUSTRY

Company Reports and Accounts (Defaults)

Mr. Willie W. Hamilton asked the Secretary of State for Trade and Industry what are the latest figures available showing the number of companies in default of accounts obligations and annual report obligations, respectively, for Great Britian as a whole and for Scotland.

Mr. Fletcher: As at 18 June 1985, 288,579 companies registered in Great Britian were in default of their obligations to deliver accounts to the appropriate registrar, and 263,291 in default of their annual return obligations. These figures include, respectively, 15,939 and 18,175 companies registered in Scotland. They exclude companies in liquidation or in the course of dissolution.

NORTHERN IRELAND

Reye's Syndrome

Rev. Martin Smyth asked the Secretary of State for Northern Ireland what is the incidence of Reye's syndrome per head of population in Northern Ireland; and how this compares with the rest of the United Kingdom.

Mr. Chris Patten: In the year 1 August 1983 to 31 July 1984, 17 cases of Reye's syndrome on Northern Ireland were reported to the communicable disease surveillance centre under its voluntary reporting scheme. The estimated incidence based on these figures is four per 100,000 in children under 16 years; in England and Wales the estimated incidence is 0·5 per 100,000 children.

Rev. Martin Smyth asked the Secretary of State for Northern Ireland what information he has as to the causes associated with the occurrence of Reye's syndrome in Northern Ireland.

Mr. Chris Patten: The aetiology of Reye's syndrome is unknown, but it is thought to represent an abnormal reaction to a viral infection in a genetically susceptible host, possibly modified by exogenous toxins. Northern Ireland is participating in the Reye's syndrome surveillance scheme for the British Isles which is organised by the communicable disease surveillance centre in collaboration with the British Paediatric Association. The aims of the scheme and studies linked to it are to identify the factors associated with the condition.

EMPLOYMENT

Labour Statistics

Mr. Pike asked the Secretary of State for Employment how many persons both male and female were placed in employment by the Burnley and Padiham jobcentres for the last month for which figures are available.

Mr. Peter Morrison: Burnley and Padiham jobcentres placed respectively 497 and 130 people in the five-week period ending 3 May 1985. It is estimated that about a quarter of all engagements are made through jobcentres.

Non-statutory Training Organisations

Mr. Andrew F. Bennett asked the Secretary of State for Employment if he will conduct a review of the working of the non-statutory training organisations with reference particularly to provision for training in the new technology industries and to the training provision of companies not involved in the non-statutory training organisations.

Mr. Peter Morrison: No. The Manpower Services Commission received reports from its own officials and the CBI in May this year which indicated that the arrangements for non-statutory training organisations are generally working satisfactorily and confirming that new technology training is a feature in many of their activities. The commission provides a range of grants and services designed to promote training which are available to all employers.

Youth Training Scheme

Mr. Alton asked the Secretary of State for Employment what are the latest figures for the destinations of people completing the youth training scheme.

Mr. Peter Morrison: The Manpower Services Commission conducts a regular survey of youth training scheme leavers. Questionnaires are sent to 15 per cent. of leavers some three months after they leave the scheme. The latest information, which is available in the Library, covers young people who left the scheme in October 1984. This shows that 49 per cent. were in work, 9 per cent. were on another youth training scheme, 1 per cent. were on a full-time course at a college or training centre, 1 per cent. were back at school, 38 per cent. were unemployed and 2 per cent. were doing something else.

The decrease in the proportion in work compared to results of surveys for previous months reflects partly the seasonal reduction in the recruitment activity of employers and partly the considerably lower number of those who left the youth training scheme in October 1984, many of them before they had completed a full period of training.

A much more comprehensive picture is provided by the survey of those leaving the scheme between July and September 1984, which shows that some 60 per cent. went into employment and about two thirds went into work or full-time education or training.

Mrs. Renée Short asked the Secretary of State for Employment if he will list the total sums which have been devoted to running the youth training scheme in the west midlands region in each single year since its initiation and the number of participants during the same period.

Mr. Peter Morrison: The information requested is as follows. The west midlands region is taken to cover the areas of Birmingham, Coventry/Warwick, Dudley/Sandwell, Staffordshire, Telford and Wolverhampton/Walsall.

	Expenditure £	*Participants* £
1983-84	43,140,841	45,483
1984-85	85,960,480	51,762

Current plans are for an expenditure of about £88 million and 51,000 entrants in 1985-86.

PRIME MINISTER

Baby Seal Products

Mr. Latham asked the Prime Minister whether, in the next meeting of the European Council of Ministers, the

representative of Her Majesty's Government will vote for an indefinite ban on the import of baby seal products into all European Community countries.

The Prime Minister: Both species of seal covered by the existing directive, the Harp seal and the Hooded seal, remain vulnerable to exploitation. We consider that an extension of the ban is justified on conservation grounds and we shall make our position clear at the meeting of the Council of Environment Ministers on 28 June.

Widdicombe Inquiry

Mr. Straw asked the Prime Minister which Government Departments have submitted evidence to the Widdicombe inquiry into local government practices and procedures; what was the nature of the evidence; and if she will place a copy of the evidence in the Library.

The Prime Minister: Two submissions have been made by Government Departments to the Widdicombe inquiry in relation to local government advertising: a report by the Department of the Environment, the Scottish Office and the Welsh Office on publicity and political campaigning by local authorities; and a note on central Government publicity and advertising submitted by the Cabinet Office at the request of the committee of inquiry. Supplementary oral evidence has also been given. Copies of both submissions are in the Library. Evidence on the full range of the inquiry is still being submitted.

NATIONAL FINANCE

Construction Industry (Taxation)

Mr. Eggar asked the Chancellor of the Exchequer what is the estimated loss of value added tax and income tax and so on from tax avoidance or evasion by traders in the construction industry who are failing to register for value added tax; and if he is satisfied with the present arrangements for enforcing the relevant legislation.

Mr. Hayhoe: I regret that it is not possible to provide a meaningful estimate. The present VAT enforcement arrangements, while protecting established businesses from undue interference in their activities, do not necessarily ensure that new and growing businesses make timely notification of their liability to be registered. This should be improved with the new civil penalties proposed in clause 14 of the Finance Bill.

To combat evasion of direct taxes, the Inland Revenue has been allocated additional staff. On present plans, the number of staff deployed to combat the black economy will have been increased by 1,700 over the period 1979 to 1988.

Value Added Tax

Mr. Colvin asked the Chancellor of the Exchequer what revenue has been received from value added tax on house repair bills in the last year for which figures are available.

Mr. Hayhoe: Businesses registered for value added tax are not required to make returns of the tax charged on particular supplies of goods and services, and information of this kind is therefore not directly available. However, estimates of consumers' expenditure suggest that the yield from value added tax on housing repairs in 1984 was of the order of £500 million.

EC (Budgetary Control)

Mr. Teddy Taylor asked the Chancellor of the Exchequer if he is satisfied with the progress to date in achieving strict budgetary control of spending by the European Economic Community; and if he will make a statement.

Mr. Ian Stewart: I refer my hon. Friend to the reply he received from my right hon. Friend the Prime Minister on 18 June, at column *90*.

"Official Report"

Mr. Thurnham asked the Chancellor of the Exchequer why the *Official Report* published on 7 June did not show details of the wages council debate after 9 pm on the previous evening.

Mr. Hayhoe: Certain staff slowed production as a result of an industrial dispute. This made it impracticable to include any of the debate after 9.5 pm without breaching the overriding requirement for publication overnight.

Drug Detection Staff

Mrs. Renée Short asked the Chancellor of the Exchequer how many Customs and Excise officers were employed, in each year since 1979, solely for the purpose of drug detection tasks.

Mr. Hayhoe: I shall let the hon. Member have a reply as soon as possible.

European Monetary System

Mr. Leigh asked the Chancellor of the Exchequer what amendments have been proposed to the agreement of March 1979 between the central banks of the European Community which laid down the operating procedures for the European monetary system (EMS).

Mr. Ian Stewart: On 10 June, EC central bank governors took formal steps to implement the measures to improve the usability of the official ecu agreed in principle last March. The central bank agreement of 13 March 1979, which lays down the operating procedures for the EMS, has been amended and consequential changes have been made to the rules governing the operations of the European monetary co-operation fund (EMCF).

Under the March 1979 agreement, member states participating in the EMS agreed to swap 20 per cent. of their gold and dollar reserves in return for ecus. These swaps are renewed quarterly. The ecus so created can be used by member states participating in the exchange rate mechanism (ERM) to meet liabilities arising out of compulsory intervention.

The changes to be made in these arrangements are as follows. First, member states which have accepted ecus in settlement of liabilities will receive, and those which have used ecus to meet liabilities will pay, a rate of interest which will be more closely aligned to market rates. At present the interest rate on net ecu positions is calculated as a weighted average of member states' official discount rates.

Second, the maximum proportion of ecus which a member state participating in the ERM can be obliged to take in settlement of debts arising out of intervention at the margins of the ERM band is to be increased. At present

ecus can only be used as of right for 50 per cent. of any settlement, but this ratio will go up to 100 per cent. to the extent that the recipient of the ecus is itself a net ecu debtor. This does not affect the United Kingdom as we do not participate in the ERM.

Third, since the ecu cannot be used directly in interventions, a mobilisation scheme will be introduced to enable those participating in EMS (including the United Kingdom) to swap part of their ecu holdings for spot dollars for a maximum period of six months in case of need. To meet requests for such swaps, EMS central banks are committed to provide dollars up to an agreed ceiling, but member states may decline to participate in a specific mobilisation operation in exceptional circumstances, such as balance of payments difficulties or the inadequacy of their reserves.

In addition to these changes, there is agreement in principle that non-EC central banks and the Bank for International Settlements should be enabled to hold ecu accounts with the European monetary co-operation fund. The central bank governors have made the necessary changes to the central bank agreement and the EMCF rules but these cannot take effect until Council regulation EC 3181/78 has been amended. The Commission has presented a draft regulation to implement this change.

EC (Finance)

Mr. Marlow asked the Chancellor of the Exchequer if he will set out the United Kingdom's financial relationship with the European Economic Community over the last four calendar years and the projected figures for 1985, indicating *(a)* gross contribution, *(b)* net contribution, and *(c)* Community expenditure in the United Kingdom.

Mr. Ian Stewart [*pursuant to his reply*, 20 June 1985]: Estimates of the United Kingdom's future contributions and receipts are not produced on the basis of calendar years as these are not accounting periods for the purpose of United Kingdom public expenditure. The Government's latest estimate for the 1985-86 financial year was published in the public expenditure White Paper (Cmnd. 9428). An updated estimate taking account of all relevant factors will, as is usual, be published in the autumn statement.

Information concerning the outturn for past calendar years is, however, available, and the information requested is set out in the table:

£ million

	Gross Contribution	*Net Contribution*	**Community Expenditure in the UK*
1981	2,174	397	1,777
1982	2,863	606	2,257
1983	2,976	647	2,329
1984	3,259	689	2,570

* Figures given for Community expenditure in the United Kingdom include both receipts and refunds.

Mr. Teddy Taylor asked the Chancellor of the Exchequer what has been the percentage increase in the spending of the European Economic Community on all its activities in each year since 1973, respectively; and what further increase is planned for 1986.

Mr. Ian Stewart [*pursuant to his reply*, 20 June 1985]: The year on year percentage increases in the spending of the EC since 1973 are as follows:

	Percentage
1973	—
1974	5
1975	11
1976	45
1977	13
1978	29
1979	10
1980	15
1981	18
1982	19
1983	14
1984	9
1985	4
*1986	—

* Figures are not yet availble.

SCOTLAND

Football Grounds (Rates)

Mr. Ron Brown asked the Secretary of State for Scotland what recent representations he has received regarding the rating of Scottish football grounds; and if he will make a statement.

Mr. Ancram: I have received letters recently from the Scottish Football Association and a number of hon. Members about the rates burden on clubs. I shall send the hon. Member a copy of my reply to the association.

Salmon

Mr. Onslow asked the Secretary of State for Scotland what action he is taking to identify the Scottish rivers where the escapement of spawning salmon is insufficient to maintain wild stocks; and if he will make a statement.

Mr. John MacKay: The scientists at the Department of Agriculture and Fisheries for Scotland freshwater fisheries laboratory, Pitlochry, are engaged in a survey of the distribution and abundance of juvenile salmon on the major rivers throughout Scotland. It is too early to predict the results of that survey.

On those rivers on which they have been involved in population studies over a period of years, there is no evidence of inadequate spawning escapement.

Mr. Onslow asked the Secretary of State for Scotland what is his latest estimate of the annual value to the Scottish economy of recreational salmon fisheries in Scottish rivers; and how this compares with the situation in 1975.

Mr. John MacKay: The most recent study on behalf of the Department of Agriculture and Fisheries for Scotland was carried out by the tourism and recreation research unit of Edinburgh university and was completed in 1984. The researchers suggested that expenditure by salmon anglers in Scotland was in the range £22 million to £46 million per annum. There is no basis for comparison with previous years.

Mr. Onslow asked the Secretary of State for Scotland what action his Department has taken to prevent illegal fishing for salmon in Scottish waters; and what is his estimate of the result.

Mr. John MacKay: A great deal of effort is devoted to the enforcement of salmon and sea fisheries legislation by the Department of Agriculture and Fisheries for Scotland both directly and in co-operation with district salmon fishery boards, water bailiffs and the police. Fishery protection vessels, fixed-wing aircraft, helicopters and shore-based staff equipped with two-way radio telephones are all deployed, with considerable success, to curb the activities of those who fish illegally in Scottish inshore waters. In the period 1 January 1984 to 31 December 1984, operations against illegal fishing for salmon resulted in 31 cases being dealt with by the courts.

Fishing for salmon by drift nets set from a boat is prohibited in Scottish waters. My right hon. Friend is considering whether to extend that ban to the use of gill nets set other than from a boat, and to ban the carriage of monofilament gill nets, under powers in the Inshore Fishing (Scotland) Act 1984.

FOREIGN AND COMMONWEALTH AFFAIRS

Overseas Students

Mr. Andrew F. Bennett asked the Secretary of State for Foreign and Commonwealth Affairs how much aid is provided to overseas students on the Foreign Office vote in the current year; and from which countries the students come.

Mr. Renton: In the financial year 1984-85, £70.54 million was provided to overseas students on the Foreign and Commonwealth Office Vote. This money is supporting students from the following countries:

Afghanistan
Algeria
Angola
Anguilla
Antigua and Barbuda
Australia
Austria
Bahamas
Bahrain
Bangladesh
Barbados
Belgium
Belize
Benin
Bermuda
Bhutan
Bolivia
Botswana
Brazil
British Virgin Islands
Brunei
Bulgaria
Burkina
Burma
Burundi
Cameroon
Canada
Cape Verde
Cayman Islands
Central African Republic
Chad
Chile
China (People's Republic)
China (Taiwan)
Colombia
Congo
Costa Rica
Cyprus
Czechoslovakia
Denmark
Dominica
Dominican Republic
East Jerusalem
Ecuador
Egypt
El Salvador
Ethiopia
Falkland Islands
Fiji
Finland
France
Gabon
The Gambia
Germany, Federal Republic
Germany, Democratic Republic
Ghana
Gibraltar
Greece
Grenada
Guatemala
Guinea Bissau
Guinea Conakry
Guyana
Honduras
Hong Kong
Hungary
Iceland
India
Indonesia
Iraq
Irish Republic
Israel
Italy
Ivory Coast
Jamaica
Japan
Jordan
Kenya
Kiribati
Korea, Republic of
Kuwait
Lebanon
Lesotho
Liberia
Madagascar
Malawi
Malaysia
Maldives
Mali
Malta
Mauritania
Mauritius
Mexico
Montserrat
Morocco
Mozambique
Namibia
Nepal
Netherlands
New Zealand
Nicaragua
Niger
Nigeria
Norway
Oman
Pakistan
Panama
Papua New Guinea
Paraguay
Peru
Phillipines
Poland
Portugal
Qatar
Romania
Rwanda
St. Helena
St. Kitts-Nevis
St. Lucia
St. Vincent

Saudi Arabia
Senegal
Seychelles
Sierra Leone
Singapore
Solomon Islands
Somalia
South Africa
Soviet Union
Spain
Sri Lanka
Sudan
Swaziland
Sweden
Switzerland
Syria
Tanzania
Thailand
Togo
Tonga
Trinidad and Tobago
Tunisia
Turkey
Turks and Caicos
Tuvalu
Uganda
United Arab Emirates
United States
Uruguay
Vanuatu
Venezuela
West Bank and Gaza
Western Samoa
Yemen (Arab Republic)
Yemen (People's Democratic Republic)
Yugoslavia
Zaire
Zambia
Zimbabwe

In the financial year 1985-86, the estimated provision is £70·83 million.

Falkland Islands

Mr. Michael McNair-Wilson asked the Secretary of State for Foreign and Commonwealth Affairs how soon he expects to reach a decision on whether to establish a 200-mile exclusive fishing zone around the Falkland Islands; and if he will make a statement.

Mr. Renton: I have nothing to add to the reply I gave to my hon. Friend the Member for Hastings and Rye (Mr. Warren) on 20 June at column *203*.

Mr. Ahmed Walid Rajab

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs what response he has received from the Syrian ambassador to his request on 12 June that Mr. Ahmed Walid Rajab should be transferred from the United Kingdom; and by what specific date he has required the departure of this diplomat.

Mr. Renton: We are in touch with the Syrian authorities about this matter. I have nothing further to add at this stage.

EDUCATION AND SCIENCE

Teachers

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what information he has as to the number of teachers who have taken early retirement who are now re-employed in full-time, part-time or temporary teaching posts.

Mr. Dunn: The Department does not maintain a record of the numbers of prematurely retired teachers whom authorities subsequently re-employ, but the evidence suggests that the proportion who are re-employed is very small. A special exercise showed that, of over 20,000 school teachers who had been released from service under the premature retirement scheme by 31 March 1983, 126 were re-employed on a part-time basis, and 12 on a full-time basis, on that date in which the authority had released them.

University Staff

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science if he will publish in the *Official Report* the number of university staff for each year since 1978-79 broken down into categories of academic, academic related and non-academic staff.

Mr. Brooke: Information on non-academic staff is not readily available. The remaining information is as follows:

University staff: Great Britain

	Full-time		*Part-time*	
	Academic	*Academic related*	*Academic*	*Academic related*
1978-79	40,814	N/A	1,422	N/A
1979-80	42,300	N/A	1,489	N/A
1980-81	43,017	9,389	1,577	343
1981-82	42,840	9,439	1,644	361
1982-83	41,994	9,087	2,266	464
1983-84	42,058	9,150	2,739	562

Assisted Places Scheme

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what is the amount of Government expenditure on the assisted places scheme for each year since its introduction; how many children were on the scheme; and what proportion of the maintained school population this represents.

Mr. Dunn: The information requested is as follows:

	Expenditure £ million (financial year)	*Number of assisted pupils (school year)*	*APS pupils as percentage of maintained school population (as at January)*
1981-82	3·022	4,185	0·05
1982-83	8·690	8,616	0·12
1983-84	14·995	13,102	0·18
1984-85	22·152	17,336	*0·25

* Estimated.

Students (Statistics)

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what proportion of students in *(a)* universities and *(b)* public sector advanced education are from social groups IV and V; and what are the comparable figures for each year since the introduction of mandatory awards.

Mr. Brooke: The proportions of home university students accepted through the Universities Central Council on Admissions (UCCA) from social groups IV ad V since 1977 were as follows:

Year	*percentage*
1977	6·4
1978	6·4
1979	6·0
1980	5·4
1981	5·2
1982	5·8
1983	7·1

Similar figures are neither available for earlier years nor for students in public sector higher education.

Class Sizes

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what is the average size of classes in *(a)* maintained primary schools and *(b)* maintained secondary schools; and whether he has comparable information about independent primary schools and independent secondary schools.

Mr. Dunn: The average sizes of classes taught by one teacher in maintained primary and secondary schools in England in January 1984 were 24·7 and 20·4, respectively. Information about class sizes in independent schools is not collected by the Department.

Higher Education

Mr. Radice asked the Secretary of State for Education and Science what was the age of the average first degree graduate from higher education in the United Kingdom in the most recent year for which information is available.

Mr. Brooke: Precise information is not readily available. The average age of first degree graduates has been estimated as 23 years using data on the age distribution of first-year first degree students in Great Britain.

Teachers (Dispute)

Mr. Latham asked the Secretary of State for Education and Science whether he will list any recent steps which he has taken to bring about a settlement of the teachers' dispute; and with what results.

Mr. Dunn: Last month my right hon. Friend made public the Government's readiness to make additional resources available for teachers' pay next year if agreement in principle can be reached by October on a reform of the current pay system designed to promote the Government's educational objectives and to provide improved promotion opportunities for good teachers. The Government are also seeking a clarification of teachers' duties and are prepared to consider alternative arrangements and funding for the midday supervision of pupils. This initiative requires a quick and constructive response, and my right hon. Friend hopes that this will be recognised by the local authority and the teachers' associations.

Special Education

Mr. Freud asked the Secretary of State for Education and Science whether he will list for *(a)* each local education authority and *(b)* for metropolitan counties, shire counties and outer London boroughs, the average difference in percentage terms between the amount spent on educating children with special needs in other local education authorities and the income received for educating children with special needs from other local education authorities at the latest date for which figures are available.

Mr. Dunn: The amount of income received from other local education authorities for educating children with special needs is given in the table. The amounts are expressed as a percentage of the expenditure of each local education authority on the purchase of school places from other authorities for pupils with special educational needs.

England 1983-84

	Receipts from other LEAs for pupils with special needs (1)	*Receipts from col. (1) as percentage of payment to other leas for educating pupils with special needs*
	£1,000 cash	*Percentage*
Barking	90	32
Barnet	656	115
Bexley	53	9
Brent	310	56
Bromley	195	82
Croydon	176	99
Ealing	163	24
Enfield	77	9
Haringey	793	166
Harrow	255	82
Havering	51	14
Hillingdon	183	39
Hounslow	597	181
Kingston-upon-Thames	286	215
Merton	27	5
Newham	323	97
Redbridge	275	69
Richmond-upon-Thames	91	27
Sutton	361	73
Waltham Forest	1,313	359
Outer London boroughs	6,275	77
ILEA	4,074	298
Birmingham	1,187	262
Coventry	519	175
Dudley	58	13
Sandwell	175	33
Solihull	0	0
Walsall	511	272
Wolverhampton	358	147
Knowsley	293	92
Liverpool	888	515
St. Helens	0	0
Sefton	125	28
Wirral	68	29
Bolton	366	74
Bury	141	31
Manchester	1,736	1,568
Oldham	423	367
Rochdale	429	108
Salford	912	250
Stockport	65	14
Tameside	64	12
Trafford	114	31
Wigan	289	115
Barnsley	206	87
Doncaster	0	0

	Receipts from other LEAs for pupils with special needs (1) £1,000 cash	*Receipts from col. (1) as percentage of payment to other leas for educating pupils with special needs* Percentage
Rotherham	20	14
Sheffield	982	1,683
Bradford	577	213
Calderdale	54	36
Kirklees	301	46
Leeds	379	179
Wakefield	257	54
Gateshead	292	58
Newcastle-upon-Tyne	581	706
North Tyneside	37	11
South Tyneside	10	4
Sunderland	166	141
Metropolitan districts	12,583	114
Isles of Scilly	0	0
Avon	534	200
Bedfordshire	60	18
Berkshire	409	65
Buckinghamshire	364	80
Cambridgeshire	179	395
Cheshire	603	56
Cleveland	506	190
Cornwall	5	3
Cumbria	16	2
Derbyshire	521	95
Devon	214	362
Dorset	383	294
Durham	351	68
East Sussex	187	85
Essex	356	25
Gloucestershire	159	115
Hampshire	442	41
Hereford and Worcester	247	113
Hertfordshire	988	245
Humberside	152	44
Isle of Wight	1	6
Kent	264	51
Lancashire	399	50
Leicestershire	58	18
Lincolnshire	199	61
Norfolk	533	282
North Yorkshire	264	38
Northamptonshire	146	70
Northumberland	719	252
Nottinghamshire	206	52
Oxfordshire	436	127
Salop	12	3
Somerset	66	35
Staffordshire	477	65
Suffolk	109	35
Surrey	1,302	188
Warwickshire	1,743	293
West Sussex	158	42
Wiltshire	79	38
Non-metropolitan counties	13,847	81

Mr. Freud asked the Secretary of State for Education and Science if he will list *(a)* for each local education authority and *(b)* for metropolitan counties, shire counties and outer London boroughs, the average percentage of expenditure allocated to children with special needs spent on (i) children educated within the local education authority, (ii) children educated outside the local education authority and (iii) the number and proportion of children with special needs represented by *(a)* and *(b)* in each case, at the latest date for which figures are available.

Mr. Dunn: I shall reply to the hon. Member as soon as possible.

Mr. Freud asked the Secretary of State for Education and Science if he will list in the *Official Report (a)* for each local education authority the number and *(b)* for metropolitan counties, shire counties and London boroughs the average number of pupils with special needs educated in another local education authority and received from another local education authority at the latest date for which figures are available.

Mr. Dunn: Set out are, for each local education authority in England, the number of pupils as at January 1984 from outside the authority being educated in special schools within it, and the number of pupils from the authority being educated in special schools in other authorities. Corresponding averages for the metropolitan counties, shire counties and London boroughs, excluding ILEA, are also set out. The numbers of pupils with special needs receiving their education in primary, middle and secondary schools maintained by local education authorities other than that to which they are deemed to belong are not separately available.

Extra-district pupils in special schools: 1984

	Exports	*Imports*
Barking	59	23
Barnet	83	86
Bexley	133	9
Brent	97	70
Bromley	40	47
Croydon	80	38
Ealing	116	35
Enfield	121	28
Haringey	90	107
Harrow	69	53
Havering	84	14
Hillingdon	79	30
Hounslow	47	116
Kingston-upon-Thames	34	72
Merton	88	14
Newham	61	49
Redbridge	95	84
Richmond-upon-Thames	59	20
Sutton	85	104
Waltham Forest	43	263
Inner London	345	618
Birmingham	92	225
Coventry	36	108
Dudley	93	9
Sandwell	86	24
Solihull	64	11
Walsall	34	73
Wolverhampton	32	50
West Midlands		
Knowsley	86	59
Liverpool	38	193
St. Helens	51	52
Sefton	46	32
Wirral	42	7
Merseyside		
Bolton	125	68
Bury	95	30
Manchester	61	289
Oldham	18	117
Rochdale	70	54
Salford	53	164

	Exports	Imports
Stockport	84	9
Tameside	122	19
Trafford	75	23
Wigan	72	50
Greater Manchester		
Barnsley	39	47
Doncaster	12	15
Rotherham	24	12
Sheffield	10	133
South Yorkshire		
Bradford	39	130
Calderdale	41	9
Kirklees	85	19
Leeds	60	90
Wakefield	113	58
West Yorkshire		
Gateshead	41	59
Newcastle-upon-Tyne	50	115
North Tyneside	61	11
South Tyneside	52	5
Sunderland	22	22
Isles of Scilly	—	—
Avon	38	84
Bedfordshire	60	11
Berkshire	133	110
Buckinghamshire	129	55
Cambridgeshire	25	59
Cheshire	147	108
Cleveland	40	69
Cornwall	28	—
Cumbria	24	13
Derbyshire	117	64
Devon	15	42
Dorset	19	73
Durham	99	42
East Sussex	58	43
Essex	258	75
Gloucestershire	41	35
Hampshire	150	103
Hereford and Worcester	59	98
Hertfordshire	79	192
Humberside	59	39
Isle of Wight	1	8
Kent	82	82
Lancashire	163	97
Leicestershire	55	9
Lincolnshire	46	51
Norfolk	30	79
North Yorkshire	125	59
Northamptonshire	38	28
Northumberland	46	122
Nottinghamshire	71	35
Oxfordshire	37	99
Salop	52	21
Somerset	24	15
Staffordshire	116	65
Suffolk	52	28
Surrey	150	226
Warwickshire	129	271
West Sussex	57	52
Wiltshire	53	19
Class averages: 1984		
Metropolitan Counties	59	66
Shire Counties (excluding Isles of Scilly)	74	69
London Boroughs (excluding ILEA)	78	63

Mr. Freud asked the Secretary of State for Education and Science if he will list *(a)* the percentage for each local education authority and *(b)* the average percentage for metropolitan counties, shire counties and the outer London boroughs, the special education budget spent on fees for children attending private special schools and assistance to children attending such schools, at the latest date for which figures are available.

Mr. Dunn: The percentage of each authority's net expenditure on special education that is spent on fees for children attending non-maintained special schools and on assistance to pupils attending such schools is given in the table. The average percentages for the outer London boroughs, the metropolitan districts and the shire counties are also given.

Cost of services provided by non-maintained educational institutions as a percentage of total net expenditure on special education England 1983-84

	Percentage
Barking	24
Barnet	32
Bexley	33
Brent	26
Bromley	33
Croydon	37
Ealing	24
Enfield	16
Haringey	24
Harrow	39
Havering	22
Hillingdon	20
Hounslow	19
Kingston-upon-Thames	39
Merton	19
Newham	18
Redbridge	31
Richmond-upon-Thames	18
Sutton	38
Waltham Forest	5
Outer London boroughs	26
ILEA	5
Greater London	17
Birmingham	6
Coventry	6
Dudley	5
Sandwell	3
Solihull	11
Walsall	5
Wolverhampton	4
Knowsley	12
Liverpool	0
St. Helens	24
Sefton	25
Wirral	17
Bolton	19
Bury	22
Manchester	6
Oldham	0
Rochdale	15
Salford	6
Stockport	27
Tameside	18
Trafford	10
Wigan	15
Barnsley	14
Doncaster	10
Rotherham	16
Sheffield	3
Bradford	9
Calderdale	20
Kirklees	9
Leeds	0
Wakefield	14
Gateshead	0
Newcastle-upon-Tyne	16

	Percentage
North Tyneside	21
South Tyneside	18
Sunderland	16
Metropolitan districts	10
Isles of Scilly	0
Avon	24
Bedfordshire	14
Berkshire	22
Buckinghamshire	16
Cambridgeshire	9
Cheshire	13
Cleveland	8
Cornwall	21
Cumbria	0
Derbyshire	10
Devon	32
Dorset	30
Durham	12
East Sussex	29
Essex	20
Gloucestershire	19
Hampshire	30
Hereford and Worcester	16
Hertfordshire	19
Humberside	10
Isle of Wight	29
Kent	27
Lancashire	20
Leicestershire	10
Lincolnshire	19
Norfolk	8
North Yorkshire	22
Northamptonshire	12
Northumberland	15
Nottinghamshire	0
Oxfordshire	18
Salop	12
Somerset	26
Staffordshire	9
Suffolk	26
Surrey	27
Warwickshire	17
West Sussex	18
Wiltshire	40
Non-metropolitan counties	19

DEFENCE

NATO Base, Stornoway

Mr. Donald Stewart asked the Secretary of State for Defence what is his current estimate of the cost of the expenditure on the North Atlantic Treaty Organisation base at Stornoway in the light of changes in the original plan.

Mr. Lee: The estimated cost remains within the forecast of £40 million given to the right hon. Member by my hon. Friend the then Parliamentary Under-Secretary of State for the Royal Air Force on 19 January 1981 at column *49*.

Offshore Patrol Vessel

Mr. George asked the Secretary of State for Defence what plans he has to seek private capital from City banks for the purchase of an offshore patrol vessel, OPV3, which will then be leased by his Department.

Mr. Lee: None.

United States Service Men

Mrs. Clwyd asked the Secretary of State for Defence, pursuant to his reply, *Official Report*, 17 May, column *264*, how many United States service men stationed in the United Kingdom serve in units which are not formally committed to a North Atlantic Treaty Organisation command; and where those light transport and search and rescue units based in Britain and not committed to the North Atlantic Treaty Organisation are based.

Mr. Lee: As the hon. Member was told in my earlier answer, virtually all United States forces in the United Kingdom are here in support of NATO. The categories of commitment of individual units are, however, classified. The light transport aircraft and the search and rescue units mentioned in my earlier answer are based at RAF Mildenhall and RAF Woodbridge, respectively. There is a small number of United States personnel engaged in the operation and support of these aircraft, but it is not normally the practice to divulge numbers of personnel engaged on specific operations.

Statement on the Defence Estimates 1985

Mr. Ashdown asked the Secretary of State for Defence how many British divisions were included in figure 10 of annex A of the Statement on the Defence Estimates 1985, Cmnd. 9430.

Mr. Stanley: Figure 10 includes the four divisions which comprise 1(BR)Corps as well as a further division equivalent to take account of other British forces committed to NATO which are not formed into divisions.

Mr. Ashdown asked the Secretary of State for Defence whether Portuguese forces were included in figure 11 of annex A to the Statement on the Defence Estimates 1985, Cmnd. 9430.

Mr. Stanley: Yes.

Operation Lionheart

Mr. Ashdown asked the Secretary of State for Defence how many British divisions and division equivalents were mobilised during Operation Lionheart.

Mr. Lee: Two armoured divisions in Germany and one infantry division from the United Kingdom took part in Exercise Lionheart. In addition, one armoured division provided exercise controllers and umpires.

Warsaw Pact

Mr. Ashdown asked the Secretary of State for Defence whether Romanian forces are integrated into the military command structure of the Warsaw pact.

Mr. Stanley: Romanian forces are not integrated into the military command structure of the Warsaw pact, but in time of crisis or war it is assessed that they would not operate independently of the wishes of the Soviet Union.

NATO (Short Range Nuclear Forces)

Mr. Ashdown asked the Secretary of State for Defence when he expects to announce a decision on the modernisation of the North Atlantic Treaty Organisation's short range nuclear forces.

Mr. Stanley: I shall answer shortly.

BAOR (Tactical Nuclear Weapons)

Mr. Ashdown asked the Secretary of State for Defence whether any bilateral discussions have taken place between the United States and United Kingdom Governments on the modernisation of United States tactical nuclear weapons made available to the British Army of the Rhine; and if he will make a statement.

Mr. Stanley: I shall answer shortly.

International Air Tattoo (Fairford)

Mrs. Clwyd asked the Secretary of State for Defence how many Royal Air Force aircraft, and of which types, will take part in the international air tattoo at Royal Air Force Fairford.

Mr. Lee: A total of 44 RAF aircraft will take part in the international air tattoo at Royal Air Force Fairford. The aircraft types are:

Buccaneer	Lancaster
Bulldog	Lightning
Canberra	Meteor
Chinook	Nimrod
Chipmunk	Pembroke
Domini	Phantom
Gazelle	Puma
Harrier	Sea King
Hawk	Spitfire
Hercules	Tornado
Hunter	Vampire
Hurricane	Victor
Jaguar	Vulcan
Jet Provost	VC10
Jetstream	

Of course, not all of these are in current RAF service.

Mrs. Clwyd asked the Secretary of State for Defence what is the total estimated cost of the participation of the Royal Air Force in the international air tattoo at Royal Air Force Fairford.

Mr. Lee: Some £7,000 in extra costs for the established display teams: the Red Arrows, Battle of Britain memorial flight, the vintage pair, the Falcons and the RAF police dog demonstration team. This is recovered from the organisers through standard charges. Appropriate extra costs incurred for the participation of other aircraft and equipment are also recovered, but no advance estimate of these is made.

Polaris

Mr. Ashdown asked the Secretary of State for Defence if he will give in current and constant prices the annual expenditure on Polaris from 1963 to the latest year for which figures are available.

Mr. Butler: I shall answer shortly.

Trident

Mr. Ashdown asked the Secretary of State for Defence if he will give in current and constant prices the annual expenditure on Trident from 1980 to the latest year for which figures are available.

Mr. Butler: Annual expenditure on Trident I and II to March 1985 is as follows:

Financial Year	*80-81*	*81-82*	*82-83*	*83-84*	*84-85*
	£ million				
Current (Outturn) price	5	31	71	95	162
1984-85 prices and at £1–$1·38	5	44	89	107	162

The figure for 1984-85 financial year may be subject to minor adjustment.

Mr. Ashdown asked the Secretary of State for Defence if he will indicate the proportion of Trident expenditure spent and predicted to be spent in each of the five-year terms beginning 1980, 1985, 1990 and 1995.

Mr. Butler: Broadly, the proportion of Trident expenditure spent and predicted to be spent is somewhat under 5 per cent. up to the end of the 1984-85 financial year, building up to about 40 per cent. by the end of the decade and a little over 80 per cent. by 1995. This includes expenditure on Trident I and Trident II.

Mr. Ashdown asked the Secretary of State for Defence in which year the 18-year Trident programme started.

Mr. Butler: The 18-year procurement period for Trident II started in 1982, as the previous Secretary of State for Defence made clear when he announced the programme on 11 March 1982 at column 979.

FH70 Howitzer

Mrs. Clwyd asked the Secretary of State for Defence what was the month and the year the FH-70 Howitzer entered service with the Army.

Mr. Lee: The FH-70 entered service with the Royal Artillery in December 1979.

Exercise Brave Defender

Mr. D. E. Thomas asked the Secretary of State for Defence whether Greenham and Molesworth will play any role in Brave Defender.

Mr. Stanley: No.

Naval Estate, Portsmouth

Mr. Ian Lloyd asked the Secretary of State for Defence what are his plans for the naval estate in Portsmouth; and if he will make a statement.

Mr. Lee: We have just concluded a study, known as the Portsea island naval requirements study, to reassess the most efficient way of using the naval estate on Portsea island and to the north of Portsmouth. The study was needed to develop the earlier "Slimtrain" plan, which followed Command 8288, in the light of changes in the shape, tasking and size of the Navy since then.

The study has been carried out by a team of external consultants tasked by the Property Services Agency. It has proposed and costed a number of ways in which the Navy's needs could be met. We have accepted a broad strategy for the next decade or so, and intend now to proceed to discussion with local authorities, trades unions, and others, so as to refine it further. Within this strategy, a number of details remain to be worked out, and these are currently being studied, The main element of our plan is the concentration, to the greatest extent feasible, of training activities and domestic accommodation in HMS

Excellent/Whale Island. We envisage that this should allow instead the eventual closure of HMS Mercury, of Phoenix and HMS Vernon as already planned, and of the major part of the Royal Marine barracks, Eastney, subject to further study and to the outcome of consultation.

SOCIAL SERVICES

Housing Benefit

Mr. Andrew Bowden asked the Secretary of State for Social Services if, in view of the Government's expectation that the major structural reforms set out in the Green Paper, "Reform of Social Security", will be implemented in April 1987, any alteration to the structure of housing benefit provision will be made before this date.

Mr. Whitney: I refer my hon. Friend to the statement by my right hon. Friend on Tuesday 18 June at columns 169-172 which contained details of an adjustment to the rates taper above the needs allowance to be implemented this November.

Mr. Gordon Brown asked the Secretary of State for Social Services if he will estimate the numbers of people who will lose housing benefit as a result of the changes announced on 18 June; and how many will be *(a)* up to £1 a week worse off, *(b)* up to £2 a week worse off, *(c)* up to £3 a week worse off and *(d)* more than £3 a week worse off.

Mr. Newton: Estimates of the numbers whose housing benefit will be less than it would otherwise have been because of the proposed increase in the rates taper above the needs allowance this November, offset by the real improvement in the dependants child addition to the needs allowance, are as follows:

Great Britain

	Number affected (thousands)
Under £1	1,720
Between £1-£2	230
Betwen £2-£3	20
Over £3	Less than 5,000

The average effect is estimated to be about 50 pence per week.

At the same time, there will be around one third of a million people whose housing benefit will be higher by up to 40p per child per week than it would otherwise have been, as a result of the real improvement in the dependant child addition to the needs allowance.

State Earnings-related Pension Scheme

Mr. Austin Mitchell asked the Secretary of State for Social Services what is his estimate of the cost of the state earnings-related pension scheme in 2034 as a percentage of gross domestic product.

Mr. Newton: There are no generally agreed forecasts of gross domestic product so far ahead into the future, but if its growth were assumed to be 2 per cent. between now and 2033-34, the cost of the state earnings-related pension scheme would rise to over 3 per cent. of gross domestic product in that year. This would be in addition to spending on the basic national insurance pension.

Nuclear Installations (Cancer)

Mr. Ashdown asked the Secretary of State for Social Services if he is satisfied with the progress being made in his discussions on the prospective implementation of recommendations numbered 5 to 7 of the report of the advisory group chaired by Sir Douglas Black on the possible increased incidence of cancer in West Cumbria, relating to nuclear installations at Sellafield; and if he will make a statement.

Mr. Kenneth Clarke: Following on from the discussions to which I referred in reply to my hon. Friend the Member for Gloucestershire, West (Mr. Marland) on 9 May at columns *487-88*, the following steps have been taken:

(a) The Government's Chief Medical Officer has set up a working party to consider how best to implement recommendation 5; this includes representatives of the Department of the Environment and the Nuclear Installations Inspectorate.

(b) The National Radiological Protection Board and clinicians in west Cumbria are collaborating in order to assay directly for levels of actinides.

(c) A whole-body monitoring study is being considered with the Department of the Environment.

(d) The Medical Research Council, which is funded by a grant-in-aid from the Science Vote of the Department of Education and Science, has been asked to advise our Department on what further work is possible.

Progress has been somewhat slower than with commissioning the extended epidemiological studies in recommendations 1 to 4. This is because we are moving into new areas of work which will advance both the collection and use of data and knowledge of the effects of radiation on people.

Mr. Ashdown asked the Secretary of State for Social Services if he will list and describe the research projects commissioned to implement the recommendations numbered 1 to 4 of the report of the advisory group chaired by Sir Douglas Black on the possible increased incidence of cancer in West Cumbria, relating to nuclear installations at Sellafield; and if he will estimate the approximate cost and duration of each project.

Mr. Kenneth Clarke: The information is in the table.

Black report recommendation	Title of project and name of director	Description	Approximate duration	Estimated total cost £
1	Case control study of leukaemia and lymphoma in young people in West Cumbria. Professor M. J. Gardner, MRC Environmental Unit, University of Southampton.	Verification of cases of leukaemia and lymphoma diagnosed among under 25 year olds resident in West Cumbria between 1950 and the end of 1984. Identifying appropriately matched controls from the same area, and comparing the characteristics of cases and controls.	18 months from September 1984	41,600
2 and 3	*(a)* Cohort study of children born to mothers resident in Seascale since 1950.	*(a)* The records of children born to mothers resident in Seascale from 1950 to 1983 will be traced and followed up to establish the incidence of cancer and mortality rate in this cohort. This will provide information or all children born in Seascale whether or not they subsequently moved away.	One year from January 1985	15,500
	(b) Cohort study of children who have been at school in Seascale. Professor M. J. Gardner, MRC Environmental Unit, University of Southampton.	*(b)* The records of all children who attended the Seascale Local Authority School born from 1950 onwards and all girls who attended the Seascale girls' boarding school from 1951 to 1967 will be traced and followed up to establish the incidence of cancer and mortality rate in these cohorts. This study will enable the disease pattern of the children who were not born in the area but who lived there for several years to be considered.		
4	Analysis of cancer incidence in young people in small areas. Dr. A. W. Craft, Royal Victoria Infirmary, Newcastle.	The purpose of the proposed analysis is to implement Recommendation 4.	Three years from May 1985	69,600

Tinnitus

Mr. Pawsey asked the Secretary of State for Social Services what training facilities within the National Health Service exist for those wishing to study tinnitus and how that compares with 1979.

Mr. John Patten: We would expect consultants in ear, nose and throat surgery and audiological medicine to provide supervised experience in treating tinnitus as an integral part of practical postgraduate medical education, but we have centrally no detail of the position now or in 1979.

Mr. Pawsey asked the Secretary of State for Social Services where the principle centres are situated for the study and treatment of tinnitus.

Mr. John Patten: Facilities for the treatment of tinnitus sufferers are available at all hospital ear, nose and throat departments. The principal centres for the study of tinnitus include:

The University of Keele, Department of Communications and Neuroscience; the University of London, Institute of Laryngology and Otology; the University of London, Guy's hospital medical school; University College London, department of phonetics and linguistics; the University of Nottingham, institute of hearing research; the University of Wales, Welsh national school of medicine; and the University of Wales institute of science and technology, department of applied psychology.

Mr. Pawsey asked the Secretary of State for Social Services how many specialists there are in post in the National Health Service involved in the treatment of tinnitus.

Mr. John Patten: Depending upon the condition of which it is symptomatic tinnitus is usually treated by consultants in ear, nose and throat surgery and audiological medicine whose numbers are given in the table.

Consultants in ENT surgery and audiological medicine (England and Wales—September 1984)

	Numbers of consultants NHS paid	Honourary appointments
ENT Surgery	367	8
Audiological Medicine	12	5

Mr. Pawsey asked the Secretary of State for Social Services what is the latest estimated number of tinnitus sufferers in the United Kingdom.

Mr. John Patten: It was estimated in 1981 that some 15 per cent. of the adult population experienced symptoms of varying frequency, degree and duration which might be defined broadly as tinnitus, and that some 2 per cent. of adults experienced continuous tinnitus, a proportion of whom would be seriously troubled by the symptom.

Mr. Pawsey asked the Secretary of State for Social Services when the curriculum for ear, nose and throat specialists was last revised; and if it now provides opportunity for detailed study into the causes and treatment of tinnitus.

Mr. John Patten: The Royal College of Surgeons' specialist advisory committee sets the content of pre- and post- fellowship surgical training in otolaryngology covering the full range of disorders of the ear, nose and throat including tinnitus. I understand that the Royal College reviewed its criteria this month.

Mr. Pawsey asked the Secretary of State for Social Services what percentage of the ear, nose and throat curriculum measured by time is specifically devoted to the study of tinnitus.

Mr. John Patten: I understand that the Royal College of Surgeons does not have such detailed information.

Departmental Offices (Public Toilets)

Mr. Tom Cox asked the Secretary of State for Social Services what is the policy of his Department regarding the provision of public toilets in Department of Health and Social Security offices; and if he will make a statement.

Mr. Whitney: The Department's policy is to provide public toilets in its local offices wherever practicable. In all new buildings the provision of public toilets is a design specification; 70 per cent. of local offices have public toilet facilities.

Supplementary Benefit

Mr. Pike asked the Secretary of State for Social Services what was the total number of claimants for supplementary benefit for the Burnley travel-to-work area for the last month for which statistics are available; and what were the comparative figures for the same month in 1983 and 1984.

Mr. Whitney: The Burnley travel-to-work area is covered by two offices of the Department, Burnley and Accrington, but their boundaries are not conterminous. The total number of persons in receipt of supplementay benefit on 10 May 1985 and the previous two years was:

	Burnley	*Accrington*
10 May 1985	17,062	7,769
8 May 1984	16,167	7,591
7 May 1983	15,335	7,444

Mr. Pike asked the Secretary of State for Social Services what was the total number of supplementary benefit appeals for the Burnley travel-to-work area for the last month for which figures are available.

Mr. Whitney: During a four-week period ended 4 June 1985 a total of 97 supplementary benefit appeals were lodged at the Burnley, Accrington and Rossendale local offices, which cover the Burnley area.

Rheumatology (Operations)

Mr. Penhaligon asked the Secretary of State for Social Services if he will list for each district health authority in England the current average waiting time for an operation in the rheumatology department.

Mr. John Patten: The information requested is not available centrally.

Social Services (Green Paper)

Mr. Yeo asked the Secretary of State for Social Services if he will make a statement on the Government's Green Paper on the future of social services.

Mr. John Patten: I refer my hon. Friend to my reply to the hon. Member for Peckham (Ms. Harman) on 18 June at column *101*.

Nurses (Back Pain)

Mr. Pavitt asked the Secretary of State for Social Services when he received the views of the independent assessors subsequent to his receipt of the research report into back pain amongst nurses in August 1984; and if he will place copies of these documents in the Library.

Mr. Kenneth Clarke: We received the report of independent assessors in January this year. I am advised that there is an accepted practice that assessments of this nature are confidential to the Chief Scientist.

Nurses (Pay)

Mr. Pavitt asked the Secretary of State for Social Services if he will allocate an additional £6 million to the estimates of expenditure for the North-West Thames regional health authority in 1986-87 in order to meet the nurses' pay award.

Mr. Kenneth Clarke: Health authority allocations for 1986-87 will, as usual, depend on the outcome of the Government's public expenditure survey.

Drug Addicts

Mr. Corbyn asked the Secretary of State for Social Services if he will give a breakdown, by opiate and non-opiate drug dependency, of the number of addicts in each district health authority within the North-East Thames regional health authority for each month since 1982.

Mr. John Patten: The available information on the number of addicts in each district health authority within the North-East Thames region is set out on pages 39 to 41 of the report "Drug Misuse: Prevalence and Service Provision," copies of which have been placed in the Library.

Drugs (Rehabilitation)

Mr. Corbyn asked the Secretary of State for Social Services if he will list, by regional health authority, the number of residential rehabilitation places for drug dependants for each year since 1978.

Mr. John Patten: This information is not available centrally. Information on the current distribution of residential rehabilitation facilities is contained in the report "Drug Misuse: Prevalence and Service Provision," copies of which are in the Library.

Vaccine-Damaged Children

Mr. Ashley asked the Secretary of State for Social Services how many families have so far received the £10,000 payment for vaccine damage to children.

Mr. Whitney: Up to 18 June, awards have been made in 803 cases as a result of claims under the Vaccine Damage Payments Act 1979.

Mr. Ashley asked the Secretary of State for Social Services (1) what would be the level of today's £10,000 payment under the vaccine damage scheme if its real value were to be restored to that in the year when the scheme was introduced; what steps he proposes to take to increase the payment to that level; and if he will make a statement;

(2) why he has not maintained in real terms the value of vaccine damage payments since 1979; and if he will make a statement.

Mr. Whitney: The present equivalent of £10,000 in 1979 is £17,750. When my right hon. Friend made his statement about the annual uprating of social security benefits on 18 June, he announced at column 171 our intention to increase the payment to £20,000.

Benefits

Mr. Ashley asked the Secretary of State for Social Services which state benefits are not increased in line with increases in the cost of living.

Mr. Newton: Under section 125 of the Social Security Act 1975 the following benefits are required to be uprated annually at least in line with the rise in prices:

Retirement pension—Categories A, B, C and D
Widows' benefits
Invalidity benefits
Child's special allowance
Guardian's allowance
Industrial injuries benefits
Attendance allowance
Severe disablement allowance
Invalid care allowance
Unemployment benefit
Sickness benefit
Maternity allowance
Dependency additions paid with the benefits listed.

Decisions on whether to uprate other benefits, and, if so, by how much, are taken annually in the light of the prevailing circumstances.

Student Nurses

Mr. Campbell asked the Secretary of State for Social Services (1) if he will publish in the *Official Report* a table showing the rate at which the salary of a student nurse has increased during each of the last 10 years, according to grade; and how this compares with the rate of inflation;

(2) if he will publish in the *Official Report* a table showing the average weekly wage of a student nurse according to each of the three stages of training; and how this compares with each of the last 10 years.

Mr. Kenneth Clarke: The table shows, for a student nurse in each of the three years of training the basic weekly wage for the years 1974 to 1986 and the movements in those salaries as measured against changes in the retail prices index. The figures exclude the effect of the reduction in nurses' working hours from 40 to 37½ per week in 1980-81. We do not have comparable information on earnings.

Basic weekly wage at effective date—£
(Index showing change in real terms measured against RPI. 1974=100)

	May 1974*	*April 1975*	*April 1976*	*April 1977*	*April 1978*	*April 1979*	*April 1980*	*April 1981*	*August† 1982*	*April 1983*	*April 1985*	*February‡ 1986*
First-year student	21-58 (100)	29-92 (119)	35-90 (123)	38-39 (110)	41-39 (111)	47-02 (119)	59-53 (134)	63-10 (120)	70-86 (128)	75-12 (123)	78-63 (117)	78-63 —
Second-year student	23-47 (100)	31-47 (114)	37-45 (117)	39-95 (102)	43-11 (102)	48-90 (109)	62-02 (122)	65-74 (108)	73-84 (115)	78-27 (108)	81-99 (102)	81-99 —
Third-year student	25-37 (100)	33-37 (112)	39-35 (112)	41-85 (97)	45-18 (97)	51-15 (103)	65-01 (114)	68-91 (100)	77-38 (105)	82-02 (98)	86-74 (95)	87-84 —

Notes:
* Halsbury report.
† Two-year settlement from 23 August 1982 to 31 March 1984.
‡ Second stage of implementation of 1985 Review Body recommendations.

Voluntary Redundancy (Benefits)

Mr. Allen McKay asked the Secretary of State for Social Services what recent instructions have been issued to unemployment benefit offices regarding the eligibility for unemployment benefit of workers who accept voluntary redundancy; and if he will make a statement.

Mr. Newton: I shall let the hon. Member have a reply as soon as possible.

Voluntary Organisations (Financial Provision)

Mrs. Renée Short asked the Secretary of State for Social Services if he will make a statement on the outcome of the meeting which he had recently with the Director of the Spastics Society and with MIND and other voluntary organisations about their ability to provide services for people they help within their present financial provision.

Mr. John Patten: No such meeting has taken place.

Intensive Care Baby Units and Revision Surgery

Mrs. Renée Short asked the Secretary of State for Social Services (1) if he will allocate additional resources to regional health authorities to enable them to improve nursing staff levels in intensive care baby units;

(2) if he will allocate additional resources to health authorities to enable them to improve facilities for revision surgery required by patients after hip replacement operations.

Mr. Kenneth Clarke: We have this year allocated to regional health authorities in England additional cash of over £500 million or 5·5 per cent. In addition, they have told us that they plan to generate about £150 million from their cost improvement programmes. We expect them to make substantial improvements in patient services from within these extra resources. But it is for health authorities to determine their own priorities between all the various specialties, including intensive baby care and orthopaedic surgery, in the light of national guidance and local circumstances.

So far as intensive baby care is concerned, the third report of the Maternity Services Advisory Committee

offers guidance on the care of small and ill babies and on how services may best be organised. We have commended this advice to health authorities to consider what action could and should be taken locally in response to it.

Limited List Prescribing

Mrs. Renée Short asked the Secretary of State for Social Services if he will publish in the *Official Report* a copy of the reply which he received from the British Medical Association in response to his offer to it to introduce an appeal system which would allow general practitioners in certain cases to prescribe drugs currently excluded from the limited list.

Mr. Kenneth Clarke: I have not yet received a formal response from the British Medical Association, though I expect one soon.

Demographic Trends

Mrs. Renée Short asked the Secretary of State for Social Services what is his latest assessment of demographic trends as they affect the demand for health service facilities; and if he will make a statement.

Mr. Kenneth Clarke: On the basis of the latest population projections published by the Office of Population Censuses and Surveys, the increase in demographic demand on hospital and community health services is currently estimated to be about 1 per cent. This is not to say, of course, that the only way in which the service can keep pace with increasing demand is by increasing spending by exactly the same proportion.

"The Health Service in England"

Mrs. Renée Short asked the Secretary of State for Social Services if he will list the number of pamphlets entitled "The Health Service in England" which have been sent out by his Department in the last 12 months to community health councils and family practitioner committees in the West Midlands county; which specific ones received them; and what replies he has received in response to the information in them.

Mr. John Patten: Thirty thousand copies of the leaflet were sent by the Department on publication to the West Midlands health authority. Local distribution arrangements were left to the authority itself. To date, we have not received any response centrally.

West Midlands

Mrs. Renée Short asked the Secretary of State for Social Services if he will list the number of women who have been registered as claiming supplementary, unemployment or housing benefit in the west midlands region in each single year since 1979.

Mr. Whitney: I regret that this information is not available. Statistics on totals of claimants are not differentiated by sex.

Mrs. Renée Short asked the Secretary of State for Social Services if he will list the number of disabled citizens who have claimed supplementary benefit in the west midlands region in each single year since 1979 and the number of home help service personnel who have been employed in that region in each single year during the same period.

Mr. Newton: I shall let the hon. Member have a reply as soon as possible.

Mrs. Renée Short asked the Secretary of State for Social Services how many midwives have been employed by the National Health Service in the west midlands region in each year since 1979; and what are the levels of pay which they have received in each year during the same period.

Mr. Kenneth Clarke: The information is given in the tables.

NHS state certified midwives employed in West Midlands RHA*
Staff in post at 30 September: whole-time equivalents

	Number
1979	1,640
1980	1,680
1981	1,600
1982	1,720
1983†	1,890

* Including agency midwives.
† Latest date for which information validated to this level of detail.

The basic salary, at the maximum of the scale, for staff midwives and district midwives* was as follows

		Salary £
	District Midwife	4,949
1 April 1979	Staff Midwife	3,813
	District Midwife	6,807
1 April 1980	Staff Midwife	5,119
	District Midwife	7,215
1 April 1981	Staff Midwife	5,426
	District Midwife	8,103
23 August 1982	Staff Midwife	6,094
	District Midwife	8,751
1 April 1984	Staff Midwife	6,582

* Includes Midwifery Sister.

As a result of Government decisions on the recommendations of the Review Body for Nursing Staff, Midwives, Health Visitors and Professions Allied to Medicine from 1 April 1985 the maximum basic salary of a district midwife will be £9,254 and of a staff midwife £6,960, with a further increase from 1 February 1986 to £10,000 and £7,175 respectively.

Mrs. Renée Short asked the Secretary of State for Social Services if he will list the number of patients who have been give coronary bypass surgery in the west midlands region in each year since 1979.

Mr. John Patten: This information is not available centrally. The hon. Member may wish to write to the chairman of the West Midlands regional health authority who may be able to provide the information requested.

Mucodyne

Mr. Allen McKay asked the Secretary of State for Social Services how many representations he has now received in relation to the exclusion of the drug mucodyne from the National Health Service prescribing list.

Mr. Kenneth Clarke: We have received more than 300 letters about the drug mucodyne and other oral mucolytics. The exact number could be established only at disproportionate cost.

We are making arrangements for the committee which will review the selected list to consider these drugs at its first meeting. We will announce details of the committee soon.

Retirement Pensions

Mrs. Renée Short asked the Secretary of State for Social Services if he will list the amounts which have been spent on the provision of retirement pensions in each year since 1979.

Mr. Whitney: Total benefit expenditure on retirement pensions including basic and additional component, graduated pension and increments is as follows:

	£ million
1979-80	8,816
1980-81	10,526
1981-82	12,126
1982-83	13,549
1983-84	14,613
*1984-85	15,400

* Estimated

Social Security Review

Mr. John asked the Secretary of State for Social Services what was the growth in the value of the benefits covered by figure 2 of volume 1 of the social security Green Paper in relation to the increase in *(a)* average male gross earnings and *(b)* average male net earings between 1949 and 1984.

Mr. Whitney [*pursuant to his reply*, 12 June 1985, c. *486*]: The information is as follows:

Percentage change in benefit rates in relation to earnings November 1949-November 1984

Benefit	*Percentage increase or decrease (−) in relation to:*	
	Gross earnings	*Net earnings*
Supplementary benefit long term rate	32·3	62·3
Retirement pension	22·5	50·3
Invalidity benefit (long term sick)	17·2	43·8
Supplementary benefit ordinary rate	4·0	27·6
Unemployment benefit	−2·7	19·4
Sickness benefit	−6·8	14·4
Child benefit/family allowance	21·9	49·6
Supplementary benefit scale rate for a child under 5	13·9	39·7
Supplementary benefit scale rate for a child 5-10	−5·1	16·4

Adult benefits are single person rates.

Gross earnings=adult male manual workers, average earnings November 1949-November 1984.

Net earnings=adult male manual workers, average earnings for single person without children, net of tax and national insurance contributions.

AGRICULTURE, FISHERIES AND FOOD

Fishing Vessels

Mr. Beith asked the Minister of Agriculture, Fisheries and Food, further to his answer to the hon. Member for Berwick-upon-Tweed on 20 May, *Official Report*, column *350*, how many of the 97 vessels decommissioned under the current scheme have been scrapped, how many transferred to a third country and how many assigned to a purpose other than fishing; and whether he will subdivide these figures between England, Wales, Scotland and Northern Ireland.

Mr. MacGregor: The information requested is as follows:

Number of vessels decommissioned by

	England	*Wales*	*Scotland*	*Northern Ireland*	*Total*
a) scrapping	15	5	7	—	27
b) permanent transfer to a third country	7	—	1	—	8
c) assigned to a purpose other than fishing	34	2	25	1	62
					97

Cattle Imports

Mr. Geraint Howells asked the Minister of Agriculture, Fisheries and Food how many cattle were imported from Northern Ireland during the last 12 months; what were the corresponding figures for 1980; and if he will make a statement.

Mr. MacGregor: The numbers of live home-bred Northern Ireland cattle* entering Great Britain were as follows:

	Thousand head
April 1984—March 1985	3·6
January—December 1980	12·4

* Fat, store and breeding cattle, and calves.

Source: Port Veterinary Officers' returns.

Salmon

Mr. Onslow asked the Minister of Agriculture, Fisheries and Food what information he has as to the cost involved in buying in all commercial netting rights for salmon in England and Welsh coastal waters; and if he will make a statement.

Mr. MacGregor: There is a public right of fishing in the majority of coastal and estuarial waters around England and Wales. While salmon fishing in these waters is regulated by such methods as licensing, the buying in of these rights would require substantial modifications to our fisheries legislation. Given the extensive nature of the public rights and the absence of any central record of privately owned commercial netting rights for salmon, it is not possible to estimate what the cost of buying in all these rights might be.

Mr. Onslow asked the Minister of Agriculture, Fisheries and Food what action he has taken to identify the English rivers where the escapement of spawning salmon is insufficient to maintain wild stocks; and if he will make a statement.

Mr. MacGregor: My Department is in regular contact with the water authorities whose duty it is to maintain, improve and develop the salmon fisheries in their areas. While concern has been expressed about recruitment levels on the Yorkshire Esk, the Lune and the Torridge, I am not aware of any case in which the escapement of spawning salmon is insufficient to maintain stocks.

EC (Agricultural Expenditure)

Mr. Teddy Taylor asked the Minister of Agriculture, Fisheries and Food what was the percentage of total European Economic Community spending which was devoted to agriculture; what was the percentage of total European Economic Community spending devoted to the storage or disposal of food surpluses, respectively, in each of the years from 1973 to 1984, respectively; and what estimate he has made of the comparable percentage figures in 1985.

Mr. Jopling [*pursuant to his reply*, 20 June 1985]: The information requested is set out in the following table:

Year	*CAP expenditure as percentage of total EC expenditure*	*Food storage and disposal costs* as percentage of total EC expenditure*
1973	82·4	57·7
1974	75·4	40·4
1975	78·1	40·0
1976	76·6	49·9
1977	74·3	48·1
1978	79·2	55·3
1979	75·7	56·9
1980	73·3	55·8
1981	65·1	48·5
1982	64·0	45·8
1983	68·4	47·4
1984†	68·8	51·0
1985†	73·1	54·5

* Expenditure from the guarantee section of the European agricultural guidance and guarantee fund on export refunds, internal sale subsidies, public intervention and private storage aids for all commodities, whether or not in surplus.

† Budget figures.

Sources for 1973-1983: EAGGF Financial Reports and EC Court of Auditors' Reports. For 1973-1978 these sources are not fully compatible and the figures for these years are only approximate.

ENERGY

Coal Mining Industry

Mr. Hardy asked the Secretary of State for Energy if he will take steps to protect the income of those miners who have accepted redundancy under the terms of the national agreements and who now face the loss of unemployment benefit.

Mr. David Hunt: I am looking urgently at the problem of mineworkers who have accepted redundancy and who may lose unemployment benefit. The Government are considering ways of resolving the problem.

Mr. Hardy asked the Secretary of State for Energy how many persons are employed by the National Coal Board at the present time; how many he expects to be so employed in one year's time; and what was the number employed six years ago.

Mr. David Hunt: I understand from the National Coal Board that at 8 June 1985 there were 166,104 men on colliery books. In June 1979 the number was 232,546. I can make no accurate estimate of numbers on 21 June [illegible]6.

ENVIRONMENT

Households (South-East England)

Mr. Cartwright asked the Secretary of State for the Environment (1) pursuant to the reply of 22 May, *Official Report*, columns 436-38, what proportion of new households expected to form in England in the decade 1981 to 1991 is accounted for by the south-east region;

(2) pursuant to the reply of 22 May, *Official Report*, columns 436-38, upon what percentage of sample data from the 1981 census his Department has based the statement that the categories of young single people living on their own or heading other households are disproportionately common in the south-east and particularly in London;

(3) pursuant to the reply of 22 May, *Official Report*, columns 436-38, whether the total number of new households expected to form in the decade 1981 to 1991 in each of the different sub-regions of England has been adjusted on a pro rata basis to the change projected in the England total over the same period;

(4) pursuant to the reply of 22 May, *Official Report*, columns 436-38, what weightings have been used for each of the eight regions in England to adjust the sub-national totals of new households expected to form between 1981 and 1991 to the totals for England as a whole.

Sir George Young: I have written to the hon. Member.

Right to Buy (Southwark)

Mr. Gerald Bowden asked the Secretary of State for the Environment (1) what information he has as to when Mr. and Mrs. R. H. Bratt of 52 Kennoldes may expect to receive draft legal documents in respect of the purchase of their home from Southwark council;

(2) if he will investigate the reasons for the delay that Mr. and Mrs. E. Hemmings are experiencing in the application to buy their home at 5 Hillsborough road from Southwark council;

(3) what information he has as to when Mr. and Mrs. J. Baldwin of 9 Hillsborough road may expect to complete the purchase of their house from Southwark council.

Sir George Young: My Department has investigated the reasons for the delays in Mr. and Mrs. Hemmings' case. I understand that their right to buy application, like that of Mr. and Mrs. Bratt and Mr. and Mrs. Baldwin was delayed principally by Southwark council's failure, as yet, to produce a standard form of transfer for leasehold houses. I expect legal documentation to be dispatched before the end of June and for completion to take place within a month thereafter. I regret the delays caused by Southwark council.

Local Government Expenditure

Dr. Cunningham asked the Secretary of State for the Environment (1) if he will rank in descending order using their 1985-86 budgets all English local authorities on the basis of the percentage above or below their expenditure targets for 1985-86, showing in each case the percentage above or below their grant-related expenditure assessments for 1985-86;

(2) if he will rank in descending order using their 1985-86 budgets all English local authorities on the basis of the percentage above or below their grant-related expenditure assessments for 1985-86, showing in each case the percentage above or below their expenditure target for 1985-86.

Mr. Patrick Jenkin: I have today placed the available information in the Library.

Dr. Cunningham asked the Secretary of State for the Environment what are his Department's current estimates of the total amount by which local government expenditure is expected to exceed in 1985-86 *(a)* grant-related expenditure assessments and *(b)* expenditure targets; and if he will supply a breakdown of those figures in each category listed for each individual authority in terms of both total money amount and percentage.

Mr. Patrick Jenkin: Based on English local authorities budget returns, aggregate total expenditure is estimated to exceed grant-related expenditure by £820 million and the aggregate of expenditure targets by £266 million.

I have today placed the available information for individual authorities in the Library.

Bass Charrington plc (Planning Appeal)

Mr. Heddle asked the Secretary of State for the Environment to what extent his inspector investigated the incidence of coal mining subsidence on the site of the former Gate Inn, Upper Longdon, near Rugeley, during the course of the inquiry into the appeal by Bass Charrington plc to develop the land occupied by the former public house.

Mr. Macfarlane: The inspector accepted the recommendation of the National Coal Board that subsidence affected the northern part of the appeal site so that development should not take place there, nor within 9 m. of the southern break line crossing it. He was also aware that the board had no current plans for mining which should affect the site. He was able to see the effects of subsidence for himself when he visited the site.

Poll Tax

Mr. Deakins asked the Secretary of State for the Environment if, as part of the review of methods of financing local government, his Department has made any assessment of the number of people registered to vote who would be liable to pay a poll tax; and if he will make a statement.

Mr. Waldegrave: We are looking at a wide range of issues including this one. The local government finance studies are still in progress and I am not in a position to make a statement about particular aspects of the work being done.

Pollution

Mr. Chris Smith asked the Secretary of State for the Environment if he will state the levels of ozone and other photochemical pollutants observed during the summer months in the United Kingdom over the last 10 years for which figures are available, and their effect on plants, materials and human health.

Mr. Macfarlane: Detailed figures for recorded ozone levels are published on behalf of my Department by Harwell laboratory and by the Department of Trade and Industry's Warren Spring laboratory. Concentrations are highly variable and it is thus not possible for me to summarise the figures here. As a broad indication, summer levels in rural Oxfordshire and Suffolk average about 20 to 30 parts per billion, but on occasions have reached levels substantially higher for short periods. Some measurements of peroxyacytyl nitrate are also published by Harwell, but this is not measured on a routine basis*.

There is no evidence that levels of photochemical oxidants normally experienced in the United Kingdom pose a threat to human health or to materials. My Department is sponsoring research aimed at improving our knowledge of both the United Kingdom photoxidant climate and its effect on plants and trees.

* The published data can be identified by the following references:

Harwell Reports: AERE
R— 8324
R—10885
R—11382
R—11666

WSL Reports.
LR—227
LR—404
LR—476
LR—474
LR—519
LR—521

Mr. Chris Smith asked the Secretary of State for the Environment whether he has any plans to secure an improvement in the present level of monitoring of air pollution in urban areas; whether he will make a statement on the future of air pollution monitoring at present undertaken by the scientific services branch of the Greater London council; and whether he intends to take steps to continue the monitoring of air quality at the County hall site in central London.

Mr. Macfarlane: The Government's existing programme of air quality monitoring covers those pollutants, such as smoke and sulphur dioxide, which are most significant in urban areas. In addition, we are about to establish monitoring networks for nitrogen dioxide and lead in air—both of which include sites in urban areas. After the abolition of the GLC, the future of air pollution monitoring at present undertaken by the scientific services branch will be a matter for the London boroughs, which already have responsibility for the control of air pollution. It is proposed, however, that the London residuary body should be able to take on staff and facilities on a temporary basis, if the boroughs wish it to do so, while long-term arrangements are being finalised.

General Rate Act 1967

Mr. Heddle asked the Secretary of State for the Environment whether he has any plans (i) to review or (ii) to seek to amend section 25 of the General Rate Act 1967.

Mr. Kenneth Baker: Section 25 was amended in the Rates Act 1984 to make it easier for rating authorities to give relief to parts of properties which are temporarily unoccupied. There are no plans at present for any future changes.

Community Land and Workspace Services Ltd.

Mr. Cohen asked the Secretary of State for the Environment what arrangements he has considered for continuing public support for Community Land and Workspace Services Ltd. upon abolition of the Greater London council; and if he will make a statement.

Sir George Young: In most cases, responsibility for grants to local organisations will fall to the London boroughs. Clause 48 of the Local Government Bill provides the boroughs with powers to fund collectively organisations whose activities are not for profit and which benefit an area extending beyond the boundaries of an individual authority.

Water Rates

Mr. Squire asked the Secretary of State for the Environment whether a code of practice on the treatment of arrears of water rates has been adopted by any of the water authorities in England and Wales; and if he will make a statement.

Mr. Macfarlane: I am pleased to tell my hon. Friend that a code of practice for domestic customers was adopted by all the water authorities in England and Wales in 1983.

A leaflet, issued by the water industry, entitled "Water Services Bills—How to get help if you can't pay your Bill" is available from all the water authorities, and I am sending my hon. Friend a copy.

Widdicombe Inquiry

Mr. Straw asked the Secretary of State for the Environment if he expects the interim report of the Widdicombe inquiry into local government advertising to be published before the summer recess; and if he will make a statement.

Mr. Kenneth Baker: We have asked the Widdicombe inquiry to submit by the end of July an interim report on local authorities' involvement in publicity and political campaigning.

Mr. Straw asked the Secretary of State for the Environment if he has any plans to make use of his existing legislative powers under sections 137 and 142 of the Local Government Act 1972 in relation to local government advertising before the Widdicombe committee of inquiry reports; and if he will make a statement.

Mr. Kenneth Baker: My right hon. Friend has no powers under sections 137 and 42 of the Local Government Act 972 in relation to local government advertising.

Council House Sales

Mr. Rooker asked the Secretary of State for the Environment if he will list the local authorities which operate a bonus payments scheme for staff who use spare time to visit local authority tenants to persuade them to purchase their homes.

Mr. Gow: Information on such schemes, which are a matter for the authorities concerned, is not collected centrally. So far as I am aware, only one authority operates such a scheme.

Local Government Reform

Mr. Tony Banks asked the Secretary of State for the Environment (1) whether the strategic guidance, in the event of the abolition of the Greater London council, will set out for each borough the total number of new dwellings to be provided and the split between private and public provision;

(2) whether the strategic guidance, in the event of the abolition of the Greater London council, will indicate the number and locations of retail superstores in each of the London boroughs;

(3) whether the strategic guidance, in the event of the abolition of the Greater London council, will indicate the additional shopping floorspace to be planned for in each borough;

(4) whether the strategic guidance will, in the event of the abolition of the Greater London council, set out for each borough the employment total to be planned for;

(5) whether the strategic guidance will, in the event of the abolition of the Greater London council, set out for each borough the location and types of industry and warehousing appropriate for that borough in the light of London's industrial structure and labour market;

(6) whether the strategic guidance, in the event of the abolition of the Greater London council, will set out the guidelines on the extent to which the boroughs, in preparing their unitary development plan, must take account of planning requirements for ethnic minorities, women and people with disabilities.

Mr. Macfarlane: I refer the hon. Member to the answer given on 31 January 1985, at columns *280-81*, by my right hon. Friend the Minister for Local Government to the hon. Member for Islington, North (Mr. Corbyn). The precise content of any strategic guidance which may be issued by the Secretary of State following the abolition of the Greater London council will be determined taking into account the views of the London boroughs an others. It is doubtful, however, whether any strategic guidance on land use planning would need to deal with all the matters or refer to them in all the detail implied by the hon. Member.

Mr. Tony Banks asked the Secretary of State for the Environment if the strategic guidance will, in the event of the abolition of the Greater London council, be based upon up-to-date information and research on relevant population, employment, commuting, social and other trends.

Mr. Macfarlane: The strategic guidance will take into account, inter alia, the best information available on these matters when the guidance is drawn up.

Mr. Tony Banks asked the Secretary of State for the Environment if his Department will make available to London boroughs the information, research and data which it will be collecting to prepare strategic guidance.

Mr. Macfarlane: My right hon. Friend expects to be able to provide to London boroughs any relevant information which he collects.

Mr. Tony Banks asked the Secretary of State for the Environment whether his Department has had any

meetings with the Association of London Borough Planning Officers subsequent to his Department's letter of 23 January; and what changes he has made to proposals for London planning in the event of abolition.

Mr. Macfarlane: No meeting has been held with the Association of London Borough Planning Officers following the letter to it of 23 January offering a meeting. Apart from minor amendments, no changes have been made to the proposals for London planning in the event of abolition, but an undertaking has been given to bring forward an amendment on Third Reading of the Bill in another place.

Mr. Tony Banks asked the Secretary of State for the Environment how many professional staff in his Department's London regional office are at present concerned with policy aspects of strategic planning in London; and how many he envisages being employed on such matters after 1 April 1986 if the abolition of the Greater London council proceeds.

Mr. Macfarlane: The directorate responsible for land use planning in Greater London has 10 professionally employed staff, any of whom may be called upon to deal with aspects of strategic planning.

Mr. Tony Banks asked the Secretary of State for the Environment what matters were discussed and what decisions were taken at the recent meeting between the Minister for Local Government, the right hon. Member for Mole Valley (Mr. Baker), and the London Boroughs Association on planning arrangements in the event of the Greater London council being abolished.

Mr. Kenneth Baker: My noble Friend Lord Elton and I met representatives of the London Boroughs Association on 3 June in order to hear their views on the matters to which my noble Friend referred in his speech during the Committee stage of the Local Government Bill in another place on 30 April at column 223.

Mr. Tony Banks asked the Secretary of State for the Environment what matters were discussed and what decisions made at the meeting on 22 April between the Minister for Local Government the right hon. Member for Mole Valley (Mr. Baker) and representatives of the London and South-East regional planning conference on strategic planning in the region in the event of the Greater London council being abolished.

Mr. Kenneth Baker: I did not meet representatives of the London and South-East regional planning conference (SERPLAN) on 22 April, but on that day there was a discussion between my noble Friend Lord Elton and representatives of SERPLAN, the Association of County Councils, and the Association of District Councils in order to obtain their views on planning arrangements for London.

Mr. Tony Banks asked the Secretary of State for the Environment (1) if he will make a statement on the committee report on spare rib submitted to him by the Greater London council in support of its application under section 7 of the Local Government (Interim Provisions) Act;

(2) if he will make a statement on the committee report on searchlight submitted to him by the Greater London council in support of its application under section 7 of the Local Government (Interim Provisions) Act;

(3) if he will make a statement on the committee report on the women's peace bus submitted to him by the Greater London council in support of its application under section 7 of the Local Government (Interim Provisions) Act.

Mr. Kenneth Baker: The GLC's applications and supporting documents are still being considered. I hope that a substantive response will be issued shortly.

London Docklands

Mr. Tony Banks asked the Secretary of State for the Environment what is the current percentage of owner-occupied housing in the London Docklands Development Corporation area on the basis of (i) housing completions (ii) housing completions and new starts (iii) housing completions, starts and schemes with planning permission, respectively.

Sir George Young [*pursuant to his reply*, 3 June 1985, c. *53*]: The information requested is as follows:

(i) of the housing stock in the LDDC area at 31 March 1985 (including 2,446 new houses completed and occupied since 1981), 15 per cent. of dwellings were owner-occupied;

(ii) when schemes currently under construction are completed, the percentage could rise to about 23 per cent. The figure may, however, be lower because the total number of dwellings which may be acquired by housing associations is not known at this stage;

(iii) when numbers of existing dwellings, new completions, units started and units with planning permission (on both LDDC and other land) are taken together, the percentage of owner-occupation in Docklands may be about 37 per cent. Here, again, acquisitions by housing associations could lead to a lower figure.

Written Answers to Questions

Monday 24 June 1985

TRANSPORT

London Underground (Incidents)

Mr. Cohen asked the Secretary of State for Transport if the railway inspectorate is to investigate the incidents on the Central line recently when numerous trains were damaged by an unaligned section of conductor rail near St. Paul's; and if he will make a statement.

Mrs. Chalker: London Regional Transport reported the circumstances of the damage to trains to the railway inspectorate, as required by statute. The inspectorate is satisfied that the cause has been established and that measures are being taken to reduce the chances of a recurrence. Unlike the difficulties experienced in November 1982 on the Central line, described in the railway inspectorate's published annual report for 1982, the problem this time was not a misaligned conductor rail, but settlement of the track following night-time maintenance work.

Mr. Cohen asked the Secretary of State for Transport what estimate London Regional Transport has made of the cost *(a)* in lost revenue and *(b)* in repairs to stock and track, of the recent incidents on the Central line arising from an unaligned section of conductor rail near St. Paul's; and if he will make a statement.

Mrs. Chalker: I understand from London Regional Transport that preliminary estimates suggest the loss of revenue to be about £10-20,000 and the cost of repairs to the rolling stock and track to be in the order of £40,000.

Merchant Navy (Defence Role)

Mr. Colvin asked the Secretary of State for Transport if he will publish the terms of reference of the shipping economics advisory group study on the availability of merchant shipping for a defence role.

Mr. Ridley: The terms of reference of the study are classified, and were not published in the recent report from the House of Commons Defence Committee on the use of merchant shipping for defence purposes, but the annex to the notes by the Ministry of Defence in that report—page 34 — indicates the work the consultants were requested to undertake.

Motorways

Mr. Ashdown asked the Secretary of State for Transport if he will publish a list showing for each year since 1979 the residual life statistics derived from deflectograph surveys of the motorway network in each year.

Mrs. Chalker: Regular deflectograph surveys of the English motorway network started in 1983. Estimates from the 1983 and 1984 surveys give approximate residual live figures for the network as follows:—

Residual Life	*Proportion of Network*	
	1983	*1984*
	per cent.	*per cent.*
Up to 5 years	24	20
6 to 10 years	12	18
11 to 15 years	23	20
16 years and over	41	42

Small changes in these figures are not significant.

Road Traffic (Driving Instruction) Act 1984

Mr. Lawrence asked the Secretary of State for Transport when he proposes to bring into effect the Road Traffic (Driving Instruction) Act 1984; and if he will make a statement.

Mrs. Chalker: Most of the provisions of the Act were introduced on 20 May 1985. Section 1 of the Act relating to a requirement for driving instructors to display their official identification documents in tuition cars has yet to be implemented. Preparation of identification documents suitable for this purpose is in hand and we expect to bring this remaining provision into operation later this year.

London Regional Transport

Sir John Biggs-Davison asked the Secretary of State for Transport if he is satisfied with the reorganisation of London Regional Transport.

Mrs. Chalker: The creation by LRT of underground, bus and bus engineering subsidiaries at the end of March this year was an important step towards improving management accountability and business efficiency within LRT.

A17-A607 Leadenham (Accidents)

Mr. Douglas Hogg asked the Secretary of State for Transport (1) how many road accidents have occurred within a radius of three quarters of a mile from the junction of the A17 and A607 at Leadenham, Lincolnshire, during each of the following periods: 1980 to 1985, 1975 to 1980 and 1970 to 1975;

(2) how many fatalities have occurred as a result of road accidents that have happened on roads within his responsibility within a three to four miles radius of the A17, A607 junction at Leadenham during each of the years 1975 to 1984, respectively.

Mrs. Chalker: I regret that the information is not readily available. I shall write to my hon. Friend.

A45 (Maintenance)

Mr. Lord asked the Secretary of State for Transport what improvements or remedial works to the A45 between Bury St. Edmunds and Ipswich are currently being deferred; and if he will give details.

Mrs. Chalker: No national schemes and no remedial works have been deferred. It will not now be possible to start work on the Quarries Cross improvement before the financial year 1987-88.

Pedal Cycle Crash Helmets

Mr. Patrick Thompson asked the Secretary of State for Transport what steps he is taking to expedite a decision on the setting up of a British standard for pedal cycle crash helmets.

Mrs. Chalker: The British Standards Institution decided earlier this year to set up a committee to prepare a standard for pedal cycle protective helmets and I understand the committee has already commenced its work.

A41 (Hemel Hempstead-Bourne End Bypass)

Mr. Robert B. Jones asked the Secretary of State for Transport if it remains his intention that work on the A41 Hemel Hempstead and Bourne End bypass should commence in 1986-87; and if he will make a statement.

Mrs. Chalker: The report "National Roads, England 1985" published on 20 June, following my review of the road programme, places the A41 Berkhamsted and Kings Langley bypasses in the part of the programme for start of construction in the period April 1987 to March 1989.

Road Assessment Studies

Mr. Corbyn asked the Secretary of State for Transport what arrangements are in force for local groups to meet the consultants involved in the road assessment studies being undertaken in London.

Mrs. Chalker: The consultants undertaking the London assessment studies consulted widely with local groups and also advertised for comments. They are meeting all groups who ask to see them.

Cycle Tracks

Mr. Haselhurst asked the Secretary of State for Transport when he is going to send out for consultation a draft of the advice he plans to issue to local authorities on the Cycle Tracks Act and the cycle tracks regulations.

Mrs. Chalker: As soon as possible.

British Rail

Mr. Bendall asked the Secretary of State for Transport if, when he next meets the chairman of British Rail, he will raise the matter of increases to the British Rail cheap inter-city saver return fares scheme; and if he will make a statement.

Mr. David Mitchell: The decision was British Rail's. It is the board's responsibility to determine fares. I will, however, draw my hon. Friend's concern to the chairman's attention.

ATTORNEY-GENERAL

Lord Chancellor's Ecclesiastical Patronage Secretary

Mr. Greenway asked the Attorney-General why no Lord Chancellor's ecclesiastical patronage secretary has been appointed since Christmas 1984; and what proposals there are to fill the post.

The Attorney-General: The office of ecclesiastical secretary to the Lord Chancellor is not vacant. A new assistant secretary is expected to take up his appointment on 29 July.

Law Lords (Retirement)

Mr. Kilroy-Silk asked the Attorney-General if he will list the latest dates on which each of the Law Lords and the Lords of Appeal in Ordinary have to retire.

The Attorney-General: The relevant dates of retirement are as follows:

	Retirement date
The Right Honourable The Lord Fraser of Tullybelton	3 February 1986
The Right Honourable The Lord Scarman OBE	29 July 1988
The Right Honourable The Lord Diplock	Not subject to a statutory retirement age.
The Right Honourable The Lord Keith of Kinkel	7 February 1997
The Right Honourable The Lord Roskill	6 February 1986
The Right Honourable The Lord Bridge of Harwich	26 February 1992
The Right Honourable The Lord Brandon of Oakbrook MC	3 June 1995
The Right Honourable The Lord Brightman	20 June 1986
The Right Honourable The Lord Templeman MBE	3 March 1995
The Right Honourable The Lord Griffiths MC	26 September 1998

OVERSEAS DEVELOPMENT

Official Debt

Mr. Deakins asked the Secretary of State for Foreign and Commonwealth Affairs what consideration has been given to writing off official debt due to the United Kingdom from Vietnam, Laos, Senegal and South Yemen.

Mr. Raison: We do not think it appropriate to write off official aid debts for Vietnam under the retrospective terms adjustment arrangements because of Vietnam's human rights record and because it is in default on past British aid loan repayments. South Yemen is also in default on past British aid loan repayments and no consideration is being given to the application of RTA. Laos did not have any outstanding loan repayments to the United Kingdom at the time RTA was introduced in 1978. The country has since begun to repay a small interest free loan but no consideration is currently being given to the application of RTA. We have no plan to write off aid debts in respect of Senegal. The country has a per caput income above the RTA threshold (currently $400 in 1983) and is not included in the list of least developed countries.

Aid Programme (Export Orders)

Mr. Deakins asked the Secretary of State for Foreign and Commonwealth Affairs if he will list those United Kingdom companies which have gained export orders of £50,000 or more from the aid programme in the latest year for which figures are available.

Mr. Raison: The Overseas Development Administration does not maintain comprehensive statistics which show aid funded contracts broken down by individual British companies, but information is available in respect of contracts supported under the aid trade provision.

In 1984 the following companies gained export orders of £50,000 or more with ATP support:

Balfour Beatty Ltd.
Northern Engineering Industries/Parsons Ltd.
Sulzer Bros. (UK) Ltd.
General Electric Co. plc
Standard Telephones & Cables Ltd.
UK Airports Group
L. H. Manderstam
Halcrow

Rural Investment Overseas Ltd.
Transmark
Watermeyer, Legge, Piesold and Ulman
Ewbank Consulting Ltd.
British Teleconsult

This list does not include British firms which as sub-contractors may have gained orders in excess of £50,000 from the lead companies listed above.

International Fund for Agricultural Development

Dr. Roger Thomas asked the Secretary of State for Foreign and Commonwealth Affairs why Britain refuses to make financial assistance available to the international fund for agricultural development.

Mr. Raison: There is no question of the Government refusing to make financial assistance available. We have paid all our contributions due under the initial funding and the first replenishment, and we are ready to contribute a similar share of the second replenishment if and when that is approved.

When the second replenishment is in place, we shall consider whether to contribute to IFAD's new, voluntary special programme for africa. We have our own very effective bilateral aid programme however, and any additional contribution to IFAD would inevitably leave us with less money for that.

AGRICULTURE, FISHERIES AND FOOD

Minced Beef

Sir Peter Mills asked the Minister of Agriculture, Fisheries and Food if he will seek to persuade the Council of Ministers to introduce a minced beef directive.

Mrs. Fenner: Discussions on common rules for trade in minced meat are already taking place in the Community in order to set satisfactory arrangements to protect public and animal health.

Savernake Forest

Mr. Charles Morrison asked the Minister of Agriculture, Fisheries and Food what was the cost, subdivided so far as possible, to the Forestry Commission of the recent hippie invasion of Savernake forest.

Mrs. Fenner: The estimated cost is as follows:

	£
Staff costs (including wages, overtime, travel and subsistence and vehicles)	15,500
Legal fees and administrative costs	1,800
Loss of commercial recreation revenue and disruption to forest operations	3,200
Restitution of the site	5,200
Total	25,700

Common Agricultural Policy

Mr. Teddy Taylor asked the Minister of Agriculture, Fisheries and Food what has been the percentage rise in expenditure on the common agricultural policy each year since 1980; and what increase is estimated for 1985 and 1986.

Mr. Jopling: The percentage rise in expenditure on the common agricultural policy in each year between 1980 and 1985 compared with the previous year is as follows:

	Percentage
1980	+9·8
1981	−3·1
1982	+12·9
1983	+27·2
*1984	+14·8
†1985	+8·6

* Provisional
† Budget

The preliminary draft budget for 1986 has not yet been published.

Unpasteurised Milk

Mr. Freud asked the Minister of Agriculture, Fisheries and Food whether he proposes to publish health warnings on cartons of unpasteurised milk; and if he will make a statement.

Mr. MacGregor: Under existing regulations, all milk sold under the special designation "untreated" must also be clearly labelled "raw unpasteurised milk" irrespective of whether it is sold in cartons or in bottles. This requirement was introduced with effect from 1 January 1982 and is intended to ensure that consumers are aware of the nature of the product that they are buying. We have no plans to introduce further labelling requirements.

Pesticides

Mr. Nellist asked the Minister of Agriculture, Fisheries and Food how often the Government's advisory committee on pesticides meets.

Mrs. Fenner: The advisory committee on pesticides is scheduled to meet six times per year and its scientific subcommittee nine times. Facilities are provided for additional meetings when necessary.

Mr. Nellist asked the Minister of Agriculture, Fisheries and Food (1) what products, currently on sale in Britain, contain the chemicals 2,4,5-T or 2,4-D;

(2) which manufacturers currently produce products containing the chemicals 2,4-D.

Mrs. Fenner [*pursuant to her reply*, 20 June 1985, c. *215*]: Proprietary products cleared for use in the United Kingdom containing 2,4,5-T as the sole active ingredient or in mixture with other active ingedients are marketed by a variety of companies under the following proprietary names:—

BP Trading Co. Ltd.
Silvapron—T
Burts and Harvey
BH 2, 4, 5-T 500
Brushwood Emulsion*
Econal*
Farm Protection Ltd.
Farmon Brushwood Killer*
ICI plc
Trioxone 50
A. H. Marks & Co. Ltd.
Marks Brushwood Killer
May & Baker Ltd.
Kilnet*
Spontox*
Shell Chemicals UK Ltd.
Ban-Dock
Nettleban*
Steetley Chemicals Ltd.
Vigon 5T*
Synchemicals Ltd.
Synchemicals New SBK Brushwood Killer*

Symchemicals Weed & Brush Killer*
Universal Crop Protection Ltd.
Unicrop Brushwood Killer
Unicrop Super Brushwood Killer

* products containing both 2,4,5-T and 2,4-D.

Proprietary products cleared for use in the United Kingdom containing 2,4-D as the active ingredient are marketed by a variety of companies under the following proprietary names:—

Atlas Interlates Ltd.
Atlas 2,4-D
BP Trading Co. Ltd.
Silvapron D
BASF (UK) Ltd.
BASF 2,4-D
BASF 2,4-D Ester 720
2,4-D Ester 720
Burts and Harvey
BH 2,4-D Ester 50
Dormone
J. D. Campbell & Sons Ltd.
Campbell's Destox
Campbell's Dioweed 50
J. W. Chafer Ltd.
Chafer 2,4-D Ester
Chemie Linz UK Ltd.
2,4-D 50 per cent.
2,4-D Weedkiller 50 per cent.
Chipman Ltd.
Chipman 2,4-D
Cleanacres Ltd.
Cleanacres 2,4-D Ester
Complete Weed Control Ltd.
2,4-D Selective Weedkiller
The Craven Chemical Co. Ltd.
2,4-D
Farm Protection Ltd.
Farmon 2,4-D
FBC Ltd.
FBC 2,4-D
Hoechst UK Ltd.
Hoechst 2,4-D Amine
ICI plc
Fernimine
Killgerm Chemicals Ltd.
Killgerm 2,4-D-A
A. H. Marks & Co. Ltd.
Marks 2,4-D-A
Marks 2,4-DM
Weedone LV4
May & Baker Ltd.
Dicotox Extra
Planatox
Mirfield Sales Service Ltd.
MSS 2,4-D Amine
MSS 2,4-D Ester
Rigby Taylor Ltd.
Mascot Showerproof Selective Weedkiller
SDS Biotech UK Ltd.
SDS 2,4-D 50
Shell Chemicals UK Ltd.
Shell D 50
Stanhope Chemical Products Ltd.
Stancide 2,4-D
Steetley Chemical Ltd.
Vigon DC
Stokes Bomford (Chemicals) Ltd.
SB 2,4-D Amine
Synchemicals Ltd.
For-Ester
Tripart Farm Chemicals Ltd.
Tripart 2,4-D Amine 50
Universal Crop Protection Ltd.
Palormone D

Herbicides

Mr. Nellist asked the Minister of Agriculture, Fisheries and Food if he will list, by proprietary brand, those phenoxy acid herbicides cleared for use in the United Kingdom.

Mrs. Fenner: The phenoxyalkanoic acid herbicides form a large group of compounds which are characterised by plant growth regulatory/hormone type activity on most annual and perennial broadleaved species. Compounds from this group used in herbicides cleared under the pesticides safety precautions scheme are:

mcpa	2,4-D	2,4,5-T
mcpb	2,4-DB	fenoprop
mecoprop	2,4-DES	dichlorprop

Over 450 proprietary brands containing either these compounds alone, or in combination with each other or other compounds have commercial or provisional commercial clearance under the PSPS.

My Department publishes annually a list of all products cleared under the PSPS for agricultural, food storage, public hygiene, domestic and related uses in the United Kingdom in which the chemical active ingredient(s) of each product is shown. A copy is available in the Library of the House and I have sent a copy to the hon. Member.

Food Labelling

Sir John Farr asked the Minister of Agriculture, Fisheries and Food whether he has yet received the results of the survey of consumer understanding of food labelling which was commissioned in connection with the recommendations of the report of the Committee on the Medical Aspects of Food Policy on diet and cardiovascular disease.

Mrs. Fenner: Yes. The Government, the Consumers Association and the National Consumer Council collaborated in this survey with a view to assessing consumer understanding of and requirements for fat content and nutrition labelling. I have arranged for a summary of this work to be placed in the Library of the House. We shall be taking these results into account, alongside the views that have emerged from our consultations with all interested parties, in making proposals for implementing the labelling recommendations of the COMA report and in producing a revised version of the draft guidelines on nutrition labelling.

Rhizomania Disease

Sir Paul Hawkins asked the Minister of Agriculture, Fisheries and Food what further action he intends to take to prevent the risk of rhizomania disease becoming established in the United Kingdom.

Mr. MacGregor: My right hon. Friends the Minister of Agriculture, Fisheries and Food, and the Secretaries of State for Scotland and Wales intend shortly to make a statutory order requiring all imports of seed potatoes to come from areas free from rhizomania. The disease attacks only beet plants but we need to avoid any possibility of its being carried by infected soil attached to imported seed potatoes. This new measure, which will come into operation in the autumn before the seed potato trade begins, represents an additional step in our defences against rhizomania.

I am pleased to say that the Dutch authorities have, in view of the United Kingdom's freedom from rhizomania,

established a set of special arrangements to ensure that all exports of seed potatoes to the United Kingdom from the Netherlands come from land free from rhizomania. This voluntary arrangement will greatly assist the effective operation of the proposed order and will, in the meantime, enable contracts to be made for the coming season's trade in the knowledge that they will not run counter to the safeguards against rhizomania. I am also considering the possibility of measures to ensure that used agricultural machinery imported into the United Kingdom is free from any risk of rhizomania-infected soil.

Laboratories (Research Budgets)

Mr. Warren asked the Minister of Agriculture, Fisheries and Food which laboratories within his Department, or within bodies for which he is responsible, have had their research budgets reduced in the current financial year; what is the financial value of the reduction; what is this figure expressed as a percentage of the total work carried out in the laboratory; and which of the laboratories for which he is responsible are being considered for privatisation.

Mr. Jopling [*pursuant to his reply*, 18 June 1985, c. *60*]: The following reductions were made in the research budgets of my Department's laboratories as part of a reallocation of resources to make more funds available for research on food:

	£'000
Agricultural science laboratories	250
Central veterinary laboratory	130
Fisheries laboratories	160

These sums represent in each case approximately 1 per cent. of the total cost of the laboratories. There are no proposals to privatise any of my Department's laboratories.

TRADE AND INDUSTRY

Hairdressers

Mr. Alexander asked the Secretary of State for Trade and Industry if he has any plans to introduce legislation to provide that a person owning a hairdressing salon or managing such a salon and in charge of training there must first be a registered hairdresser under the Hairdressers (Registration) Act 1964; and if he will make a statement.

Mr. Trippier: Entry into the hairdressing craft has traditionally been free. It is important to maximise competition, and I have no plans to introduce legislation concerning compulsory registration.

Textile Industry (Assistance)

Mr. Pike asked the Secretary of State for Trade and Industry if he will list in the *Official Report* the allocations made by his Department from the European regional development fund non-quota textile measures fund.

Mr. Trippier: The allocations to 31 May 1985 under the ERDF non-quota textile measures in England through Business Improvement Services are as follows:

	Number	Assistance Offered (£)
Greater Manchester/ Lancashire	345	1,959,294
West Yorkshire	205	1,248,366
Total	550	3,207,660

Interbuild '85 (Inward Mission)

Mr. Crowther asked the Secretary of State for Trade and Industry why an announcement was made on 17 May that the proposed inward mission of buyers to the Interbuild '85 exhibition would not be eligible for British Overseas Trade Board funding, when negotiations about the proposed mission had been taking place between the British Overseas Trade Board and overseas posts up to a few days previously.

Mr. Fletcher: The decision not to provide the British Overseas Trade Board support for the proposed inward mission to the Interbuild '85 exhibition was based not on eligibility but on the availability of funds.

The funds available to the BOTB for mounting inward missions in 1985-86 fell short of the amount that would be required to meet all the requests from industry. It was therefore necessary to establish a priority ranking amongst the various applications. Where appropriate, discussions with overseas posts continued during the priority review, in order that there should be no loss of momentum for the successful applications. In this particular case, however, BOTB was not involved in discussions with the overseas posts after the end of March. Overseas posts were not informed of the outcome of the priority review until the final decision on all the applications being considered had been taken and the relevant trade bodies had been told.

House of Fraser

Mr. Wrigglesworth asked the Secretary of State for Trade and Industry what assurances he received, and from whom, about the true beneficial ownership of the House of Fraser prior to taking his decision not to refer the Al Fayed bid to the Monopolies and Mergers Commission.

Mr. Fletcher: As stated on 14 March, in considering whether a reference should be made the Secretary of State took into account the statements made and assurances given by the Al Fayed family about the offer, and the support given to those statements and assurances by Kleinwort Benson Ltd. The Al Fayed brothers stated throughout that they were acting as principals and independently in this matter. Kleinwort Benson stated publicly at the time of the offer that it was satisfied that the Al Fayed brothers were the beneficial owners of the Alfayed Investment and Trust (UK) Limited, the parent company of the company which acquired House of Fraser plc.

Mr. Wrigglesworth asked the Secretary of State for Trade and Industry if he was aware of the relationship between Mohammed Al Fayed and the Sultan of Brunei when he took the decision not to refer the Al Fayed bid for the House of Fraser to the Monopolies and Mergers Commission.

Mr. Fletcher: Yes.

Debenhams Group (Takeover)

Sir Peter Mills asked the Secretary of State for Trade and Industry whether he intends to refer the proposed takeover by the Burton/Habitat consortium of the Debenhams group to the Monopolies and Mergers Commission.

Mr. Fletcher: My right hon. Friend will announce his decision as soon as practicable.

Takeovers and Members

Sir Peter Mills asked the Secretary of State for Trade and Industry what assessment he has made of the implications for competition in the retailing industry of the current incidence of takeovers and mergers; and if he will make a statement.

Mr. Fletcher: A number of mergers have arisen recently in the retailing sector. My right hon. Friend considers each case on its merits in accordance with the provisions of the Fair Trading Act 1973 and in the light of his policy of making references to the Monopolies and Mergers Commission primarily on competition grounds.

British Telecom

Mr. Gordon Brown asked the Secretary of State for Trade and Industry what is his latest figure for the number of shareholders in British Telecom and for the number of shareholders who have sold their shares since the company's flotation.

Mr. Butcher: I shall reply to the hon. Member as soon as possible.

HOME DEPARTMENT

Police Cars (Equipment)

Mr. Iain Mills asked the Secretary of State for the Home Department what representations he has received from the Association of Chief Police Officers concerning potential savings in cost arising from the fitting of the car pod system to police cars; and if he will make a statement.

Mr. Giles Shaw: None. Of six chief officers consulted about the value for money aspects of the system, only one expressed unconditional support.

Persons in Custody (Injuries)

Mr. Leighton asked the Secretary of State for the Home Department how many persons held in custody in police stations in the Metropolitan area have inflicted wounds upon themselves using plastic cutlery issued with meals in the latest year for which figures are available.

Mr. Giles Shaw: The information is not readily available and could be obtained only at disproportionate cost.

Prisoners (Dietary Requirements)

Mr. Cohen asked the Secretary of State for the Home Department (1) what specific arrangements are made to cater for the dietary requirements of prisoners *(a)* in prison and *(b)* while in custody undergoing trial, whose religion imposes restrictions on the foods they may eat; and if he will make a statement;

(2) what specific arrangements are made to cater for the dietary requirements of prisoners *(a)* in prison and *(b)* while in custody undergoing trial, whose religion imposes restrictions on the times at which they may eat; and if he will make a statement.

Mr. Mellor: Instructions issued to all establishments in 1983 on the treatment of inmates belonging to religious and other minorities included advice on the restrictions imposed by certain religions on the food which may be eaten and the times when it may be eaten. It is for individual establishments to determine the best way of catering for any special dietary needs of prisoners in their custody, both whilst they are in prison and when they are produced at court for trial, in the light of current instructions and local circumstances.

Mr. Leighton asked the Secretary of State for the Home Department what provisions are made for food for those with special diet needs due to religious custom whilst they are attending courts in the custody of prison officers.

Mr. Mellor: Governors are required to ensure that prisoners produced at court are provided with sufficient food at reasonable hours. Instructions have been issued to governors on the dietary requirements of prisoners belonging to particular religions. It is for individual establishments to determine the best way of meeting any special dietary needs of prisoners attending court in the light of those instructions and local circumstances.

Mr. Parvaiz Khan

Mr. Cohen asked the Secretary of State for the Home Department if, pursuant to the answer of 11 June, *Official Report*, column *390*, regarding the circumstances in which Mr. Parvaiz Khan was injured on 22 May at the Old Bailey, he will write to the hon. Member for Leyton about the outcome when the police investigation has been concluded, including a statement of the action proposed in the light of the results of the investigation.

Mr. Mellor: Yes.

Coal Industry Dispute

Mr. Redmond asked the Secretary of State for the Home Department how many complaints were made against the police during the mining dispute; how many cases have been considered to date; and, of these, in how many cases the complaint has been upheld and in how many cases it was not upheld.

Mr. Giles Shaw: Five hundred and forty-nine complaints against the police arising from the miners' strike have been recorded under section 49 of the Police Complaints Board and, since 19 April, its successor, the Police Complaints Authority, had, up until 19 June, considered the outcome of 135 completed complaint investigations arising from the dispute. No discipline charges have been preferred as a result of these complaints, although advice has been given to the officers involved in four cases.

Prisons

Mr. Batiste asked the Secretary of State for the Home Department what unused capacity there was at Ranby and Preston prisons for category C prisoners on 6 June.

Mr. Mellor: On 7 June, the nearest date for which figures are available. Ranby had five vacancies for category C prisoners. The population of Preston exceeded its certified normal accommodation by 163.

Mr. Batiste asked the Secretary of State for the Home Department when Stocken prison will come into use; and what categories of prisoners will be sent there.

Mr. Mellor: In late July for category C prisoners mainly from the midlands.

Mr. Batiste asked the Secretary of State for the Home Department with whom he consults before making decisions about the future of prisons.

Mr. Mellor: This depends on a number of factors, including the nature of the proposed change and whether planning consent is required from the local authority.

Mr. Batiste asked the Secretary of State for the Home Department what is the capacity of B wing at Hull prison for juveniles; how many juveniles it is proposed will be transferred there under the plans set out in his answer of 5 June, *Official Report*, columns *157-58*; and from where they will come.

Mr. Mellor: B wing at Hull has a certified normal accommodation of 102. It would take all the juveniles currently committed to Thorp Arch, of whom on 19 June there were 61.

Mr. Batiste asked the Secretary of State for the Home Department what criteria are used for the reclassification of category B prisoners into category C; and how many such reclassifications there have been in Leeds and Hull prisons in each of the last five years.

Mr. Mellor: The downgrading of prisoners from one security category to another is conducted on the basis of individual assessments applying the same standards as for the original categorisation. New factors, such as greater maturity, may also be taken into account.

The number of prisoners recategorised at Leeds and Hull during the past five years is not recorded centrally.

Mr. Batiste asked the Secretary of State for the Home Department how many young persons on remand or awaiting allocation were held in each of Leeds and Hull prisons on 31 January 1985 and 11 June 1985, respectively.

Mr. Mellor: On 31 January, Leeds held 197 unsentenced and 85 sentenced prisoners aged under 21. On 14 June, the nearest date for which figures are available centrally, it held 152 unsentenced and 156 sentenced prisoners aged under 21.

Hull does not at present hold young offenders.

Mr. Batiste asked the Secretary of State for the Home Department how many category C prisoners were in Leeds and Hull prisons, showing the figures separately, on *(a)* 30 November 1984, *(b)* 31 January 1985, *(c)* 31 March 1985, *(d)* 31 May 1985 and *(e)* 11 June 1985, respectively.

Mr. Mellor: The information available centrally is shown in the following table:

Date	*Number of Category C prisoners*	
	Leeds	*Hull*
5 November 1984	286	24
5 February 1985	212	28
3 May 1985	298	40

Mr. Bermingham asked the Secretary of State for the Home Department what is the current population at Morton Hall prison.

Mr. Mellor: One hundred and twenty seven on 21 June.

Mr. Bermingham asked the Secretary of State for the Home Department from which prisons the prisoners at Morton Hall prison have been transferred; and how many were from each establishment.

Mr. Mellor: The first 50 were transferred from Ashwell, Sudbury and Ranby; the remainder have been allocated from the local prisons at Leicester, Lincoln and Birmingham and from other training prisons following recategorisation. The exact numbers are not held centrally.

Mr. Bermingham asked the Secretary of State for the Home Department what is the current staffing level at Morton Hall prison.

Mr. Mellor: The staffing level varies according to the level of prison activity at different times of the day or week. At its busiest, the highest number of staff on duty in all grades would be about 45. The overall total of staff employed on 21 June, including night patrols and 10 part-time education staff, some of whom attend in the evenings only, was 59.

Mr. Bermingham asked the Secretary of State for the Home Department from which prisons staff have been withdrawn in order to staff Morton Hall prison; and how many were from each establishment.

Mr. Mellor: The staff needed are being provided either by recruitment or by transfer or detached duty from other establishments. The other prison department establishments affected by detached duty may change from time to time, but on 21 June the position was that there were 16 full-time permanent staff, including the governor who has been transferred from Wellingborough, and 10 part-time permanent teaching staff. There were 33 staff in all grades on detached duty from other establishments as listed:

	Number
Ashwell	2
Aylesbury	1
Birmingham	4
Gartree	2
Glen Parva	2
Hewell Grange	2
Lincoln	2
Lowdham Grange	3
Onley	2
Ranby	1
Shrewsbury	1
Stafford	2
Stocken	3
Sudbury	2
Swinfen Hall	1
Whatton	3

Lincoln Prison

Mr. Bermingham asked the Secretary of State for the Home Department (1) what is the certified normal accommodation in Lincoln prison;

(2) what is the current population of Lincoln prison.

Mr. Mellor: On 21 June, the certified normal accommodation of Lincoln was 345 and the population was 637.

Mr. Bermingham asked the Secretary of State for the Home Department what plans he has to relieve the overcrowding at Lincoln prison.

Mr. Mellor: The reopening of Morton hall has already provided some relief. Next month a new category C training prison will open at Stocken in Leicestershire; this will allow some newly sentenced men at Lincoln to be allocated a training place more quickly.

Mr. Corbyn asked the Secretary of State for the Home Department what is the average length of time that remand prisoners are held in Her Majesty's prison, Holloway.

Mr. Mellor: Information on the average time spent on remand in individual establishments is not recorded centrally and could be calculated only at disproportionate cost. The latest available information about the average time spent in custody by all untried and by all convicted but unsentenced female prisoners is published annually in "Prison Statistics, England and Wales" (Table 2(g) of the latest volume—1983, Cmnd. 9363).

Mr. Corbyn asked the Secretary of State for the Home Department what has been the total availability of education time for the prisoners at Her Majesty's prison, Holloway, over the past four years.

Mr. Mellor: The available information for the period 1 January 1984 to 21 June 1985 is as follows:

	Teaching Hours			
	Planned		*Withdrawn*	
	Daytime	*Evening*	*Daytime*	*Evening*
Holloway	13,544	2,958	6,072	2,093

Interruptions to the planned programmes were caused primarily by shortages of prison officers for supervisory duties. Information for earlier periods is not readily available.

Mr. Corbyn asked the Secretary of State for the Home Department what has been the average amount of time spent by officers at Her Majesty's prison, Holloway, on escort duties over the past four years.

Mr. Mellor: The information requested is not readily available and could be obtained only at disproportionate cost. But a special examination of escort duty commitments at Holloway prison revealed that, for the quarter ended 30 September 1984, the average number of hours per officer per week spent on escort duties was just under 10.

Mr. Corbyn asked the Secretary of State for the Home Department what has been the average amount of association time for prisoners at Her Majesty's prison, Holloway, during each month of the last four years.

Mr. Mellor: The information requested is not available.

Mr. Corbyn asked the Secretary of State for the Home Department what have been the total number of medical staff employed at Her Majesty's prison, Holloway *(a)* in the current year and *(b)* for each of the past four years.

Mr. Mellor: The medical staff employed at Her Majesty's prison, Holloway was as follows:

	1985	*1984*	*1983*	*1982*	*1981*
Doctors	4	4	4	4	4
Nursing staff	65	67	66	65	66

In addition, a substantial number of specialists visit on a regular basis usually for two or more sessions a week at present. Details are not available for these arrangements in previous years.

Mr. Corbyn asked the Secretary of State for the Home Department if he will list the average number of staff, of all grades, at Her Majesty's prison, Holloway, for each year since 1978 and the average number of prisoners there for each year over the same period.

Mr. Mellor The figures requested are as follows:

Year ended	*Average number of staff in post*	*Average inmate population*
31 December 1978	346	359
31 December 1979	350	363
31 December 1980	364	355
31 December 1981	372	331
31 December 1982	436	315
31 December 1983	448	332
31 December 1984	467	335
1 January 1985 to 31 May 1985	488	337

Great Windmill Street (Bomb)

Mr. John David Taylor asked the Secretary of State for the Home Department what information he has as to the origin of the TNT in the bomb at Great Windmill street, Soho, on Saturday 15 June; and if he will make a statement.

Mr. Giles Shaw: Police inquiries into the origin of the explosives are continuing, and I am not yet in a position to make a statement.

Passports

Mr. Rooker asked the Secretary of State for the Home Department if he will explain the basis on which a joint passport is not usable by both husband and wife separately if either one travels abroad alone.

Mr. Waddington: The term "joint passport" is a misnomer for a family passport, issued to either a husband or a wife to enable the family to travel on one passport, thus saving the expense of obtaining separate passports. Only the person in whose name the passport is issued may use it when travelling alone. To allow the spouse of the holder to use it independently would be contrary to international passport usage.

Prisoners (Escapes)

Mr. Dickens asked the Secretary of State for the Home Department if he will issue guidelines to Her Majesty's prison governors and chief constables regarding the promptness and accuracy of information to be given to the

public when escapes from custody occur involving prisoners with convictions for offences which may render them a danger to the public.

Mr. Mellor: Prison governors are required to report escapes promptly to the police, and Home Office public relations branch notifies the Press Association. Similar arrangements for reporting to the police apply to failure to return from home leave, but we are reviewing the possible need for further instructions to prison governors. The police have their own arrangements for disseminating information. Appropriate action is a matter for their operational judgment in the light of the circumstances of the particular case. I do not think it would be practicable or appropriate to attempt to lay down guidelines.

Peacock Committee

Mr. Buchan asked the Secretary of State for the Home Department if he will now publish the names of the persons and organisations invited to submit evidence to the Peacock committee on the financing of the British Broadcasting Corporation.

Mr. Giles Shaw: It is for the committee itself to decide how to conduct its affairs, and whether to disclose the particular persons or organisations from whom it has invited evidence. The committee has made it known through the press that it will be pleased to receive, by 31 August, written evidence from any person or body on matters which are germane to its review.

Prisoners (Remission)

Mr. Soley asked the Secretary of State for the Home Department whether an offender sentenced to be detained for a determinate number of years by virtue of section 53(2) of the Children and Young Persons Act 1933, and detained in prison at the direction of the Secretary of State, is entitled to remission of any part of that sentence under the prison rules.

Mr. Mellor: I refer the hon. Member to the answer I gave in reply to his question on 23 May at column *570*.

York (Incident)

Mr. Gregory asked the Secretary of State for the Home Department if he will call for a report from the chief constable of north Yorkshire about the civil disturbances and criminal activity that took place in York on Saturday 15 June; if he will ask the chief constable to report on the extent to which the incidents originated from coach passengers and on the extent to which alcoholic drink contributed to these disturbances; and if he will make a statement on the substance of the report.

Mr. Giles Shaw: I understand from the chief constable of north Yorkshire that on the evening of Saturday 15 June 43 coachloads of visitors who had attended York races earlier in the day travelled into the city centre, where many spent the evening drinking. In the course of the evening there were a number of disturbances and 41 arrests were made, including 18 for drunkenness and others for breach of the peace, obstruction, theft and assault. Nine people were cautioned and criminal proceedings are pending in the other cases. Three police officers sustained injuries which required hospital treatment. It is not known how many of those arrested were members of coach parties, but 31 of them gave addresses outside the north Yorkshire police area. The number of arrests was more than twice the average for a Saturday evening in York.

Drugs (Prosecutions)

Mr. Bermingham asked the Secretary of State for the Home Department what was the total number of prosecutions for (i) possession and (ii) supply of the drugs *(a)* heroin, *(b)* cocaine, *(c)* cannabis, *(d)* amphetamines and *(e)* L.S.D. for the years 1980, 1981, 1982, 1983 and 1984, respectively.

Mr. Mellor: The information requested for 1980 to 1983 is given in the following table; information for 1984 is not yet available.

Persons proceeded against for certain offences under the Misuse of Drugs Act, 1971

United Kingdom 1980-83	*Number of persons*			
*Type of drug and type of offence**	*1980*	*1981*	*1982*	*1983*
Heroin				
Unlawful possession	581	668	837	1,262
Possession with intent to supply unlawfully	84	112	128	235
Unlawful supply	109	143	197	200
Cocaine				
Unlawful possession	378	420	352	443
Possession with intent to supply unlawfully	46	71	52	74
Unlawful supply	44	84	62	56
Cannabis				
Unlawful possession	13,217	13,946	15,930	17,835
Possession with intent to supply unlawfully	605	698	780	986
Unlawful supply	689	784	764	776
Amphetamines				
Unlawful possession	727	1,016	1,429	1,922
Possession with intent to supply unlawfully	79	95	162	238
Unlawful supply	131	87	148	180
LSD				
Unlawful possession	222	340	415	417
Possession with intent to supply unlawfully	27	44	64	80
Unlawful supply	37	34	72	43

* As the same person may be proceeded against for more than one offence or for more than one type of drug, the rows cannot be added together to produce totals.

Stonehenge (Police Operation)

Mr. Corbyn asked the Secretary of State for the Home Department (1) if he will call for a report from the chief constable of Wiltshire as to the total cost of the police operation at the 1985 summer solstice festival at Stonehenge; and if he will make a statement;

(2) if he will call for a report from the chief constable of Wiltshire as to the number of police deployed at Rolston camp, Larkhill, Wiltshire, during the night of 15 May; and if he will make a statement.

Mr. Giles Shaw: The chief constable will be sending me a report once his operational commitment at Stonehenge is ended, and I shall then write to the hon. Member.

Metropolitan Police (Rent Allowances)

Mr. Tony Banks asked the Secretary of State for the Home Department if he will state the total sums paid in rent allowances to Metropolitan police officers in each year since 1979, broken down into payments made to subsidise rents and payments made to subsidise mortgage payments.

Mr. Giles Shaw: The Commissioner of Police of the Metropolis tells me that total payments of rent allowance and compensatory grant to officers of the Metropolitan police who are not provided with police accommodation during the financial years 1979-80 to 1984-85 were as follows:

Total Metropolitan Police rent allowance and compensatory grant payments, 1979-80 to 1984-85 (£ million)

	Rent allowance	*Compensatory grant*
1979-80	18·106	7·441
1980-81	18·895	7·866
1981-82	27·805	8·305
1982-83	28·225	11·433
1983-84	35·469	12·628
1984-85	37·140	15·883

Records are not kept showing whether officers used these payments to pay rent or to meet mortgage commitments.

Drug Addicts

Mr. Bermingham asked the Secretary of State for the Home Department what are the totals of the registered number of addicts in England and Wales addicted to *(a)* heroin and *(b)* cocaine, broken down by regional health authority areas for the years 1980, 1981, 1982, 1983 and 1984, respectively.

Mr. Mellor: I shall reply as soon as possible.

Mr. Tony Banks asked the Secretary of State for the Home Department what is the number of registered drug addicts in Slough.

Mr. Mellor: The available information relates to notified drug addicts in the whole of the Thames Valley police force area and was given in the reply to a question from my hon. Friend the Member for Westminster, North (Mr. Wheeler) on 11 June 1985 at columns *394-95*.

Extradition (USA)

Mr. Hanley asked the Secretary of State for the Home Department whether he has proposals for amending the United Kingdom's extradition treaty with the United States of America; and if he will make a statement.

Mr. Brittan: Agreement has been reached with the United States Government on a supplementary treaty to the United Kingdom/United States extradition treaty for which, in due course, the United States Senate's advice and consent to ratification will be sought and an order under the Suppression of Terrorism Act laid before Parliament for approval. The effect of the supplementary treaty would be to deny fugitives accused or convicted of certain serious offences of violence the ability to avoid extradition on the grounds that their offences were political. Both Governments believe that the present political offence exception to extradition, as it applies to violent offences, is not suitable to extraditon arrangements between two democratic countries sharing the same high regard for the fundamental principles of justice and operating similar independent judicial systems. The supplementary treaty would represent a most significant contribution to the efforts now being made by Western democracies to counter the threat posed by international terrorism. It is also intended to make some further, minor amendments to the present treaty.

WALES

NHS (Private Patients)

Mr. Dobson asked the Secretary of State for Wales if he will give for each year since 1979 the total amount Welsh health authorities have written off as bad debts because of private patients not paying their bills.

Mr. Wyn Roberts: This information has not been collected centrally, but we have arranged for it to be included in the annual accounts of health authorities from 1985-86.

Mr. Dobson asked the Secretary of State for Wales if he will give for Wales and for each year since 1979 the income received from private patients in National Health Service hospitals *(a)* in gross terms, *(b)* revalued by the retail price index and *(c)* revalued by the National Health Service pay and prices index.

Mr. Wyn Roberts: The information requested is shown in the following table:

£000s

	Gross income Wales	*Revalued by retail price index*	*Revalued by NHS pay and prices index*
1979-80	323	469	500
1980-81	441	551	535
1981-82	494	554	553
1982-83	478	500	502
1983-84	598	598	598

Labour Statistics

Mr. Gareth Wardell asked the Secretary of State for Wales if he will publish in the *Official Report* for each travel-to-work area in Wales for the most recently available date *(a)* the number of unemployed claimants aged 18 years and under who have never had a job since leaving school and *(b)* the percentage that *(a)* forms of the estimated population of this age group.

Mr. Nicholas Edwards: Numbers of unemployed claimants aged 18 years and under who have never been in employment are available from the computer in the House of Commons Library.

It is not possible to express these as a percentage of the population in the way requested. Estimates of population are not broken down from county to travel-to-work area level.

NHS (Staff)

Mr. Maxton asked the Secretary of State for Wales how many medical laboratory scientific officers are employed by the National Health Service in Wales.

Mr. Wyn Roberts: At 30 September 1984, there were 879 (whole-time equivalent) medical laboratory scientific officers employed in the NHS in Wales.

Mr. Maxton asked the Secretary of State for Wales how many principal medical laboratory scientific officers are employed by the National Health Service in Wales.

Mr. Wyn Roberts: At 30 September 1984, there were three full-time principal medical laboratory scientific officers employed in the NHS in Wales.

Mr. Maxton asked the Secretary of State for Wales how many physicists, bio-chemists and clinical psychologists are employed by the National Health Service in Wales; and, of each group, how many are in the top grade.

Mr. Wyn Roberts: The information, which refers to 30 September 1984, is as follows:

	Physicists	*Bio-chemists*	*Clinical Psychologists*
Whole-time equivalents	30	64	83
Of which in the top grade (all full-time)	2	6	2

DEFENCE

NATO Base, Stornoway

Mr. Donald Stewart asked the Secretary of State for Defence what has been the total expenditure to date on phase one of the North Atlantic Treaty Organisation base at Stornoway.

Mr. Lee: Expenditure on phase I is provisionally estimated to have been £8·9 million.

Mr. Donald Stewart asked the Secretary of State for Defence when the outcome of the review of the options at the North Atlantic Treaty Organisation base in Stornoway, referred to in his answer of 28 March 1985, *Official Report*, column *321*, will be announced; whether it will involve on site inspections at the airport and around Broad bay; and whether the Stornoway airport sub-committee of the Western Islands council will be present.

Mr. Lee: The review is likely to be completed early next year. It will include a feasibility study to be undertaken by a commercial consultant who will require to conduct on site inspections and to discuss proposed resupply options with the Western Isles islands council.

Trident Submarines (Communications)

Mr. Andrew F. Bennett asked the Secretary of State for Defence what is the estimated cost of building and running an extremely low frequency station in Scotland for communications with Trident submarines and for control over their missiles.

Mr. Butler: I refer the hon. Gentleman to the replies given on 17 April 1985, at columns *209-11*, to the right hon. Member for the Western Isles (Mr. Stewart).

Communications Systems

Mr. Andrew F. Bennett asked the Secretary of State for Defence where, in the Statement on the Defence Estimates, the cost of the extra low frequency communications systems and connected research appears.

Mr. Butler: Consideration of ELF communications is currently at the research stage. Expenditure on this is included in the figures which appear in table 3.2 of volume 2 of the Statement on the Defence Estimates 1985.

United States Chief of Staff (Visit)

Mrs. Clwyd asked the Secretary of State for Defence what was the purpose of the recent visit to the United Kingdom of the chief of staff of the United States army; and whether discussions were held with his Department on the subjects of AirLand Battle, and the AirLand Battle 2000/Focus 21 studies.

Mr. Stanley: The recent visit of the chief of staff of the United States army was at the invitation of the chief of the general staff. The purpose of the visit was to discuss matters of mutual concern and to enable him to visit elements of the British army. Details of the discussions are confidential.

Sales

Mr. Corbyn asked the Secretary of State for Defence what has been the total value of sales of military vehicles and equipment for each year since 1978.

Mr. Butler: It is not possible to identify figures separately for military vehicles. However, the total values of arms sales overseas in the years requested, up to the latest year for which information is available, are as follows:

Year	**Identified Defence Equipment* £ *million*	*†Estimates of Additional Military Equipment* £ *million*
1978	588	1,017
1979	551	957
1980	693	1,290
1981	725	1,341
1982	988	1,268
1983	919	1,189

* Categories of equipment which can be identified through the Customs and Excise tariff.

† These goods are not distinguishable from similar goods for civilian purposes in Customs and Excise records. These estimates are based on information from the Society of British Aerospace Companies and individual electronics and motor vehicle manufacturing companies. Exports connected with international collaborative projects are excluded.

Note: Figures are expressed in 1983 constant prices.

Aldermaston and Dounreay

Mr. Ashdown asked the Secretary of State for Defence if he will list the main purposes to which *(a)* the proposed

new plutonium factory at Aldermaston and *(b)* the new prototype pressurised water propulsion reactor at Dounreay are intended to be put.

Mr. Butler: The new capital facilities at AWRE Aldermaston to which the question refers will replace existing facilities for processing nuclear materials in order to maintain the British nuclear warhead programme and to ensure the achievement of essential health and safety standards.

Pressurised water reactors are used for all seagoing nuclear power plants. The new prototype pressurised water propulsion reactor, known as PWR2, is the second generation reactor. It will be used to power the Trident submarines and the next generation of nuclear powered hunter killer submarines. The prototype recently installed at Dounreay will be used for development tests and trials.

Optical Equipment

Mr. Gordon Brown asked the Secretary of State for Defence what is the current value of his Department's order for optical equipment for the armed forces.

Mr. Butler: I shall answer shortly.

Dockyards

Mr. Gordon Brown asked the Secretary of State for Defence if costings of agency management and other options for the royal dockyards have been prepared in accordance with Her Majesty's Government's guidelines on privatisation, dated September 1983; and if he will make a statement.

Mr. Butler: I assume that the hon. Member is referring to the document "Transferring Work out of Government Departments," prepared by Her Majesty's Treasury in May 1983 and subsequently released to the trades unions and others, and which was produced for the guidance of Departments in assessing the cost implications of such proposals. The guidance, which is necessarily of general applicability, has been taken into account in considering options for the future management of the dockyards.

PRIME MINISTER

Heroin

Mr. Alton asked the Prime Minister what criteria she will use to judge the success or failure of the current Government campaign against heroin; and if she will make a statement.

The Prime Minister: The campaign is designed to improve knowledge about the effects of using heroin and to increase young people's resistance to trying it.

My hon. Friend the Parliamentary Under-secretary of State for Health and Social Security has commissioned Research Bureau Ltd. to undertake an evaluation of the campaign. It interviewed 700 teenagers and 400 parents in February 1985 to establish a baseline for the research and will be repeating the interviews with different groups of the same size in October 1985 and February 1986. This will enable us to judge the effects of the campaign on young people's attitudes to heroin and their knowledge about its effects.

Endangered Species

Dr. David Clark asked the Prime Minister who represents the United Kingdom upon the committee meeting under the European Community convention on international trade in endangered species regulations; if she will detail the subjects covered by the agenda of each of the meetings; and if she will indicate those items on which no discussions took place.

The Prime Minister: The United Kingdom is normally represented on this committee by officials from the Department of the Environment and Her Majesty's Customs and Excise. Representatives from the United KIngdom CITES scientific authorities, the Nature Conservancy council (for animals) or the Royal Botanic Gardens (for plants) also attend where necessary.

The proceedings of this committee are confidential and I have nothing to add to the answer which the Parliamentary Under-Secretary of State for the Environment gave on 3 June at columns *43-44*.

Sri Lanka (Export Credit and Aid)

Mr. Gould asked the Prime Minisster if she will ensure that a decision on the export credit and aid package which will secure for British contractors the contract for the Samanala Wewa hydro-electric project in Sri Lanka is reached as soon as possible.

The Prime Minister: The Government are pursuing the issues involved, and will take a decision shortly.

Taxation and National Insurance

Mr. Maxwell-Hyslop asked the Prime Minster in the tax year commencing 5 April 1985, how much *(a)* a single person and *(b)* a wife with a working husband, can earn without becoming liable to pay-as-you-earn or national insurance charges; and why the two thresholds do not incide.

The Prime Minister: A single person and a wife with a working husband can both earn up to £2,205 per year (equivalent to £42·40p per week) before becoming liable to income tax and £35·50p per week before becoming liable to national insurance contributions in the 1985-86 tax year. The starting points differ because the payments have different purposes. National insurance contributions finance specific benefits and payments carry wih them rights to such benefits. The starting point is set at a level that will enable the great majority of employees to build up benefit rights. Income tax is levied to finance general Government expenditure and the Government's aim is to increase the theshold and take the lowest paid out of tax. Income tax thresholds are 20 per cent. higher in real terms than they were in 1978-79.

House of Fraser

Mr. Wrigglesworth asked the Prime Minister, if she is satisfied with the co-ordination between the Department of Trade and Industry and the Foreign and Commonwealth Office before a decision was reached not to refer the Al Fayed bid for the House of Fraser to the Monopolies and Mergers Commission.

The Prime Minister: Yes.

Privatisation

Mr. Gordon Brown asked the Prime Minister if she will list those public sector companies and operations which are to be sold in part or in whole in the financial years *(a)* 1985-86, *(b)* 1986-87 and *(c)* 1987-88.

The Prime Minister: It is not the Government's practice to disclose future special sales of assets for individual years because advance details may be commercially sensitive and may depend also on decisions yet to be taken, and market conditions. Forecast receipts from special sales of assets are set out each year in the public expenditure White Paper and in the Chancellor of the Exchequer's Autumn Statement.

Tamils

Mr. Corbyn asked the Prime Minister if, during her discussions with the President of Sri Lanka in April, the question of Tamils seeking asylum in the United Kingdom was discussed; and if she will make a statement.

The Prime Minister: No. I hope that the recent discussions between the Sri Lankan and Indian Governments and the ceasefire announced on 18 June will lead to the rapid resumption of efforts to achieve a negotiated settlement to the inter-communal dispute in Sri Lanka. Such a settlement, recognising the rights and interests of all communities, is the only way to end the violence which all have suffered.

ENERGY

British Gas

14. **Mr. Marlow** asked the Secretary of State for Energy if he will make a statement on his intentions for gas showrooms arising from his plans to privatise British Gas.

Mr. Buchanan-Smith: As my right hon. Friend made clear in his statement on 7 May we intend to transfer to the new private sector company all the assets of the British Gas Corporation.

Exploration Licences

16. **Mr. Forth** asked the Secretary of State for Energy how many different companies will operate exploration licences following the recent ninth round of allocations; and how many of those companies will be acting as operators for the first time.

20. **Mr. Hayward** asked the Secretary of State for Energy what representations he has received from smaller oil companies following the announcement of the ninth round of licence allocations.

Mr. Buchanan-Smith: The ninth round involved production licences. Thirty one companies received one or more awards as operator, three for the first time. Awards have been discussed at a number of meetings between Ministers and officials of this Department and individual oil companies. Generally, small companies did well.

Annexe B Applications

17. **Mr. Hind** asked the Secretary of State for Energy how many annexe B applications have been received in the past 12 months; and how these figures compare with those of the previous five years.

Mr. Buchanan-Smith: I approved 15 projects in 1984. A further six have been approved so far this year. Approvals for the previous five years are as follows:

	Number
1979	4
1980	3
1981	0
1982	3
1983	10

Sizewell Inquiry

18. **Mr. Allan Roberts** asked the Secretary of State for Energy what is the latest estimate of the administrative costs of the Sizewell inquiry.

Mr. Goodlad: The final cost of the inquiry will become evident only when the inspector has completed his report. However, costs up to 31 May 1985 either falling to my Department or recoverable from the CEGB total approximately £2,722,000.

Home Insulation

19. **Mr. Meadowcroft** asked the Secretary of State for Energy what steps his Department is taking to promote improved home insulation against energy loss.

Mr. David Hunt: My Department's energy efficiency office draws householders' attention to the benefits of energy efficiency and informs them how to realise these benefits. It has also supported the expansion of voluntary sector insulation projects by over 100 per cent. since November 1983 and has supported the development of home energy auditing schemes.

Energy Conservation

21. **Mr. Speller** asked the Secretary of State for Energy when he will next meet the chairman of the Central Electricity Generating Board to discuss energy conservation.

Mr. Peter Walker: I have regular meetings with the chairman of the CEGB at which a wide range of matters are discussed.

Opencast Mining

22. **Mr. Gerald Howarth** asked the Secretary of State for Energy what was the volume of coal produced in the United Kingdom in 1984 by opencast method; what was the net profit contributed by the Opencast Executive in 1984; and whether he has had discussions with the chairman of the National Coal Board regarding future levels of output.

Mr. David Hunt: Figures showing the performance of the opencast sector in 1984 will be available in the annual report and accounts of the National Coal Board, to be published shortly. The board's output levels feature in my regular discussions with the chairman.

Energy Efficiency Office

23. **Mr. Chapman** asked the Secretary of State for Energy if he will report the progress to date made by his energy efficiency office.

Mr. Peter Walker: I am delighted that all the indicators show that our energy efficiency campaign is a great success.

Energy savings under the energy efficiency demonstration scheme have shown an increase of 33 per cent;

Applications for extended energy survey grants have nearly doubled;

Over 100,000 homes have now been treated under the voluntary insulation projects scheme;

Provisional figures would appear to indicate that over the past year improvements in energy efficiency in Britain compare very favourably with those in many of our main industrial competitors.

Offshore Oil Industry (Capital Equipment)

24. **Mr. Dickens** asked the Secretary of State for Energy what is the approximate United Kingdom manufactured content of capital equipment supplied to the United Kingdom offshore oil industry in the past year.

Mr. Buchanan-Smith: The approximate United Kingdom manufactured content of capital equipment supplied to the United Kingdom offshore oil industry in the past year was worth £1·5 billion out of a total of £2 billion.

Nuclear Power Stations (Safety)

25. **Mr. Alton** asked the Secretary of State for Energy whether he has received any recent representations on safety at nuclear power stations.

Mr. Goodlad: I receive representations from time to time on all aspects of nuclear power, including safety-related issues.

Opencast Mining

26. **Mr. Fallon** asked the Secretary of State for Energy when he next expects to meet representatives of the licensed opencast operators to discuss the system of licensing.

Mr. David Hunt: My Department is in regular contact with the National Association of Licensed Opencast Operators.

South Midlands Coalfield

27. **Mrs. Currie** asked the Secretary of State for Energy if when he next meets the chairman of the National Coal Board, he will discuss the development of the south midlands coalfield.

Mr. David Hunt: There are exciting prospects for the coal industry in the south midlands area, which I expect to discuss with the chairman of the National Coal Board.

Dismissed Miners

28. **Mr. Strang** asked the Secretary of State for Energy what discussions he has had with the chairman of the National Coal Board about miners dismissed during the recent industrial dispute; and if he will make a statement.

Mr. David Hunt: I refer to the reply I gave earlier today to the right hon. Member for Salford, East (Mr. Orme).

Magnox Power Stations

Mr. Ashdown asked the Secretary of State for Energy if he will publish a list of Magnox nuclear power stations showing for each *(a)* the date commissioned, *(b)* the most recent date of shut down for examination, inspection, maintenance and testing under the terms of its nuclear site licence; and *(c)* the year in which he expects it to be decommissioned.

Mr. Goodlad: The date of commissioning and the most recent date of shutdown for examination, inspection, maintenance and testing under the terms of each nuclear site licence for each Magnox station is as follows:

	End of Commissioning Date	*Most Recent Date of Statutory Shutdown*	
Calder Hall	April 1959	May 1985	(Reactor 4)
Berkeley	October 1962	February 1984	(Reactor 1)
Bradwell	December 1962	August 1984	(Reactor 2)
Hinkley Point A	May 1965	September 1984	(Reactor 2)
Trawsfyndd	May 1965	October 1984	(Reactor 2)
Dungeness A	December 1965	June 1984	(Reactor 1)
Sizewell A	September 1966	June 1984	(Reactor 1)
Oldbury	September 1968	July 1984	(Reactor 1)
Wylfa	March 1973	May 1984	(Reactor 2)

No decommissioning date for any Magnox station has yet been determined.

My right hon. Friend the Secretary of State for Scotland has responsibility for the Scottish Sites.

Coal Industry (Redundancies)

Mr. Hardy asked the Secretary of State for Energy how many employees of the National Coal Board have accepted reduncancy or will enter early retirement; and how many have otherwise left the industry since 1 January 1985.

Mr. David Hunt: I understand from the National Coal Board that between 1 January 1985 and 8 June 1985 the numbers of men on colliery books leaving the industry have been as follows:

	Number
voluntary redundancy	6,134
other voluntary causes	1,321
early retirement	302
other involuntary causes	1,539

Mr. Dalyell asked the Secretary of State for Energy (1) whether he has any conveniently available information as to how many of the miners who have taken redundancy have found alternative employment;

(2) whether he has any conveniently available information as to how many of the 43,102 miners who have taken redundancy have found alternative employment.

Mr. David Hunt: No, nor do I know where the figure of 43,102 comes from. It must be a figure covering a number of past years.

Coal Imports

Mr. Parry asked the Secretary of State for Energy how much domestic coal is being imported into the United Kingdom from South Africa; and if he will make a statement.

Mr. David Hunt: Imports of anthracite into the United Kingdom from South Africa were 104,000 tonnes in 1984 and 93,000 tonnes to the end of April 1985.

Mr. Parry asked the Secretary of State for Energy how much domestic coal has been imported into England and Wales in each of the past three months.

Mr. David Hunt: Latest monthly figures for imports of anthracite into England and Wales are shown below:

	1985		
	February	March	April
Anthracite imports into England and Wales. (Tonnes)	70,000	101,000	80,000

Onshore Oil Exploration

Mr. Pawsey asked the Secretary of State for Energy what information he has as to whether any oil exploration is taking place in Warwickshire or adjoining counties.

Mr. Buchanan-Smith: Warwickshire has relatively little of its area under licence. There are four licences which cover parts of the county and a further six licences covering immediately neighbouring areas of adjoining counties. Since January 1984 I have been notified of three seismic survey programmes under these licences, two of which have been completed and one which is planned to start in July. Two exploration wells in a neighbouring county have been drilled.

Nuclear Power Stations

Mr. Adley asked the Secretary of State for Energy if he will list the areas from which he has received representations about alleged coincidence between the presence of a Central Electricity Generating Board or United Kingdom Atomic Energy Authority nuclear establishment and above average rates of cancer; and if he will make a statement.

Mr. Goodlad: I understand that allegations have been made about a number of AEA and CEGB sites. There is no medical evidence to suggest that cancer rates in the vicinity of AEA and CEGB nuclear installations are higher than those in other parts of the country. I deeply deplore the claims that have been made to the contrary and the unnecessary anxiety that they have caused.

ENVIRONMENT

Compulsory Purchase Orders

Mr. Mikardo asked the Secretary of State for the Environment how many compulsory purchase orders were made by local authorities in England under part V of the Housing Act 1957 in each of the years 1982, 1983 and 1984; how many such orders have been recommended to be confirmed by a statutory inspector as a result of a public inquiry; and in how many instances he or his predecessors have decided not to accept the inspector's recommendation to confirm the order.

Sir George Young: Compulsory purchase orders under part V of the 1957 Act submitted to the Department and decisions issued are as follows:

	1982	1983	1984
Made and submitted	79	76	137
Recommended for confirmation following inquiry	22	18	44
Not confirmed, contrary to recommendation	0	1	2

Houses (Mortgages)

Mr. Hunter asked the Secretary of State for the Environment if he has received any assurances from building societies that houses of the categories specified in the Housing Defects Act, but which are free from structural defects, will now be regarded as mortgageable.

Mr. Gow: Although prefabricated reinforced concrete dwellings of the types designated by my right hon. Friend under the Act may not show any visible evidence of defects, the Building Research Establishment has advised that they are all likely to require major structural repair within the period of further life normally required by building societies of a property taken as security for a mortgage loan. Those who have purchased such dwellings are eligible for assistance under the Housing Defects Act 1984 provided that they bought before the cut-off date which applies to their type of property and provided the dwellings were orginally sold by the public sector.

The Building Societies Association has participated in arrangements made by the National House-Building Council for the approval of repair systems and an associated warrantly for these houses. I am confident that building societies generally will lend on houses repaired using such approved systems.

Homes (Rewiring)

Mr. Alton asked the Secretary of State for the Environment what forms of financial assistance Her Majesty's Government make available to pensioners rewiring their homes.

Sir George Young: There is no financial assistance specifically for this purpose. In certain circumstances, local authorities are able to make payments under the home improvement grant system which are eligible for Exchequer contributions. Those entitled to supplementary benefit may be eligible for help from my right hon. Friend the Secretary of State for Social Services.

The recent Green Paper (Cmnd. 9513) proposes that help would be available for the first time, in the form of equity-sharing loans, for rewiring an otherwise satisfactory property.

Private Medical Facilities (Rateable Values)

Mr. Dobson asked the Secretary of State for the Environment what information he has as to the total rateable value in each rating authority in England and Wales, of private medical facilities, exclusive of surgeries, on 1 April 1984.

Mr. Kenneth Baker: I have today placed the information in the Library.

Radioactivity

Mr. Donald Stewart asked the Secretary of State for the Environment if he will list the 20 areas in England and Wales with the lowest levels of naturally occurring radioactivity.

Mr. Waldegrave: According to information supplied by the National Radiological Protection Board, the 20 sites in England and Wales which show the lowest gamma radiation dose rate due to naturally occurring radioactivity present in the ground are as follows:

National Grid 10km square	*Dose Rate Micrograys/ year*	*Location*	*County*
SZ08	30	Studland, Nr. Swanage	Dorset
TQ01	30	Amberley, North of Arundel	West Sussex
SU10	40	Ashley Heath, West of Ringwood	Dorset
SU58	50	South of Aston Tirrold, South West of Wallingford	Oxfordshire
TM34	50	Near Shottisham, North of Felixstowe	Suffolk
SE00	50	Saddleworth Moor, West of Oldham	Greater Manchester
SU30	50	Near Balmer Lawn, Near Brockenhurst	Hampshire
SZ69	60	Nettlestone Point, Isle of Wight	Hampshire
TM35	70	Near Bromeswell, North East of Ipswich	Suffolk
SZ68	70	Culver Cliff, Isle of Wight	Hampshire
TM45	70	Near Aldeburgh	Suffolk
SU85	70	Near Fleet	Hampshire
SE74	70	Near Bamby Moor, East of York	Humberside
SZ79	70	West Wittering, South West of Chichester	West Sussex
TL56	80	Near Swaffham Prior, West of Newmarket	Cambridgeshire
SU20	80	New Forest, Northwest of Brockenhurst	Hampshire
TL34	80	Royston	Hertfordshire
SZ19	80	Near Hurn, North of Bournemouth	Dorset
SK00	80	Brownhills, Northeast of Wolverhampton	West Midlands
SU31	90	New Forest, East of Brockenhurst	Hampshire

Private Nursing Homes (Rate Relief)

Mr. Dobson asked the Secretary of State for the Environment what information he has for each year since 1970 as to the total amount of public money going into private nursing homes through rate relief.

Mr. Kenneth Baker: This information is not collected centrally.

Endangered Species

Mr. David Clark asked the Secretary of State for the Environment if he will list the decisions taken by the committee meeting under the European Community convention on international trade in endangered species regulations; and what formal or informal agreements have been reached by the committee on any other matters.

Mr. Waldegrave: I refer the hon. Member to the reply I gave him on 3 June at columns *43-44*.

Housing Defects Act

Mr. Rooker asked the Secretary of State for the Environment if he will place in the Library copies of the bids for additional allocations under the Housing Defects Act from local authorities listed in his answer of 3 June, *Official Report*, columns *40-42*.

Mr. Gow: Copies of bids for additional allocations received from 114 local authorities in England have been placed in the Library.

Bed and Breakfast Accommodation

Mr. Meacher asked the Secretary of State for the Environment what information he has as to how many households with dependent children are currently being housed by local authorities in bed and breakfast accommodation.

Mr. Gow: At the end of December 1984, the latest date for which information is available, it is estimated that there were some 3,300 households in England which had been accepted as homeless by local authorities and were being housed in bed and breakfast accommodation. Information on the characteristics of households in bed and breakfast accommodation is not collected by my Department.

Nature Conservancy Council

Mr. Donald Stewart asked the Secretary of State for the Environment how many persons are employed by the Nature Conservancy Council; and whether there are plans to increase the number.

Mr. Waldegrave: Staff in post at the Nature Conservancy Council on 1 June totalled 586. The NCC is currently recruiting within its increased complement of 696. Its case for any further increase is being looked at in the context of its corporate plan.

London Docklands Development Corporation

Mr. Tony Banks asked the Secretary of State for the Environment if he will state the total costs of the setting-up of London Docklands Development Corporation area offices in *(a)* Southwark and *(b)* Silvertown.

Sir George Young: The costs are some £245,000 for Southwark and £275,000 at the Royal Victoria Dock. Much of this cost will be recovered in due course.

Mr. Tony Banks asked the Secretary of State for the Environment if he will state the total cost of the London Docklands Development Corporation's re-location of offices from the Isle of Dogs to the Royal Victoria dock.

Sir George Young: A disused building at Gallion's Reach near the Albert Basin has been refurbished to house the headquarters staff relocated from the Isle of Dogs at a cost of about £220,000, including the installation of telecommunications equipment.

This operation will free valuable premises in the enterprise zone on the Isle of Dogs.

Mr. Tony Banks asked the Secretary of State for the Environment how much has been spent by the London Docklands Development Corporation on hospitality, public relations and personal expenses during each of the past three financial years.

Sir George Young: The information is as follows:

	£
1982-83	119,000
1983-84	153,000
1984-85	196,000

Local Government Reform

Mr. Tony Banks asked the Secretary of State for the Environment if he will name the borough councils which have made representations to him regarding transitional costs and state the nature of the representations made.

Mr. Kenneth Baker: My right hon. Friend has received formal representations from the London boroughs of Hammersmith and Fulham and Sutton for disregards, under section 8(4) of the Local Government Finance Act 1982, relating to preparation for the abolition of the Greater London council. Members and officials of other boroughs have raised similar matters less formally.

Mr. Tony Banks asked the Secretary of State for the Environment if he will state the criteria he will adopt for appointing the best men or women for the job of shadow chairmen of residuary bodies; and who takes the final responsibility for such appointments.

Mr. Kenneth Baker: I have already done so on 5 June at columns *163-65*.

Mr. Tony Banks asked the Secretary of State for the Environment whether he intends to set the upper limit of expenses for the preparatory committees of successor authorities; and if he will make a statement.

Mr. Kenneth Baker: No.

Mr. Tony Banks asked the Secretary of State for the Environment when he expects to inform the House of those individuals who have accepted membership of preparatory committees of successor authorities.

Mr. Kenneth Baker: Members of preparatory committees will be appointed by successor authorities. My right hon. Friend will have no interest in this matter.

Thames Water Authority

Mr. O'Brien asked the Secretary of State for the Environment if he has any plans to publish the practical model for the privatisation of the Thames water authority submitted to him by the authority.

Mr. Macfarlane: I shall put in the Library of the House a copy of the document on the privatisation of water authorities which I have had from the chairman of the Thames water authority.

Teachers and Police (Salaries)

Mr. Hicks asked the Secretary of State for the Environment what representations he has received advocating that teacher and police salaries should be transferred from being the responsibility of local government to being that of central Government.

Mr. Kenneth Baker: My right hon. Friend has received no recent formal representations, but the suggestion that payment of teachers' salaries should become a central Government responsibility has often been made.

Local Authorities (Rates)

Mrs. Renée Short asked the Secretary of State for the Environment if he will list the councils against which his Department intends to institute legal proceedings for not complying with his requirement to set a rate.

Mr. Kenneth Baker: I have no power to compel local authorities to comply with their statutory duty under the General Rate Act 1967 to make a proper rate.

SCOTLAND

Power Lines (Skye)

Mr. Andrew F. Bennett asked the Secretary of State for Scotland what discussions he has had with the North of Scotland Hydro Electric Board about the proposed electricity power lines running over Skye, as part of the scheme to supply the outer islands with mainland electricity; and if such lines will require planning approval.

Mr. Allan Stewart: I have not discussed the proposed lines across Skye with the hydro board. The board would require the consent of my right hon. Friend the Secretary of State for Scotland under section 10*(b)* of the schedule to the Electric Lighting (Clauses) Act 1899 for the erection of such a line and no such application has yet been received. Prior consultation with the planning authority is required by statute and the Secretary of State's approval would carry permitted development status under the Town and Country Planning (General Development) (Scotland) Order 1981.

Mr. Andrew F. Bennett asked the Secretary of State for Scotland what discussions he has had with the North of Scotland Hydro Electric Board about alternative means of supplying electricity to the outer isles, which do not involve power lines going over Skye; and what are the expected energy needs of the outer isles.

Mr. Allan Stewart: In the course of the 1984 investment and financing review I accepted the board's case for the inclusion in its capital programme of the installation of a submarine cable to the Western Isles, in view of the expected savings compared with diesel generation. Forecasts of future electricity demand in its area are the responsibility of the hydro board.

Private Patients

Mr. Dobson asked the Secretary of State for Scotland if he will give for Scotland and for each year since 1979 the income received from private patients in National Health Service hospitals: *(a)* in gross terms, *(b)* revalued by the retail price index and *(c)* revalued by the National Health Service pay and prices index.

Mr. John MacKay: The available information is as follows:

Year	*Gross income*	*Income at 1984 prices based on movement in Retail Price Index*	**Income at 1984 prices based on movement in NHS pay and prices*
	£	£	£
1979-80	525,691	802,783	862,133
1980-81	688,427	903,698	881,875

Year	Gross income	Income at 1984 prices based on movement in Retail Price Index	*Income at 1984 prices based on movement in NHS pay and prices
	£	£	£
1981-82	844,507	994,491	999,896
1982-83	650,205	715,095	723,028
1983-84	1,000,075	1,050,979	1,058,079

* The pay and prices index used is that maintained by DHSS for hospital and community health services expenditure. No separate index for pay and price movements in the NHS in Scotland is available.

Radioactivity

Mr. Donald Stewart asked the Secretary of State for Scotland if he will list the 20 areas in Scotland with the lowest levels of naturally occurring radioactivity.

Mr. Younger: The National Radiological Protection Board has measured the gamma radiation dose rates due to the naturally occurring radioactivity present in rocks and soils in about 80 per cent. of the 10 kilometre grid squares of the national grid in Scotland. Those sites showing the lowest values are as follows:

Grid Square	Dose Rate, Micrograys/ Year	Area	Region
NC35	10	Strath Dionard, South of Cape Wrath	Highland
NM64	20	Near Lochaline, Sound of Mull	Highland
NC73	20	Badanlock Forest, West of Kinbrace	Highland
NC02	20	Inverpolly, South of Lochinver	Highland
NM97	20	Glen Garvan, West of Fort William	Highland
ND15	30	Mybster, West of Wick	Highland
ND24	30	South West of Wick	Highland
NC12	30	East of Lochinver	Highland
NC23	30	Unapool, North East of Lochinver	Highland
NC46	30	Achosnich, Ardnamurchan North of Tobermory	Highland
NC14	40	Scourie, South of Cape Wrath	Highland
NC13	40	Between Scourie and Kylestrome, South of Cape Wrath	Highland
NN55	40	Loch Rannoch, East of Glen Coe	Tayside
NC36	40	Kyle of Durness, South East of Cape Wrath	Highland
NB34	50	East of Barvas, Isle of Lewis	Western Isles Islands Area
NC24	50	Laxford Bridge, South of Cape Wrath	Highland
NM 54	60	Killundine, Sound of Mull	Highland
NC83	60	Kinbrace Northwest of Helmsdale	Highland
NC32	60	Loch A'Ghriarna, Northwest of Lairg	Highland
NN75	70	Loch Kinardochy Northwest of Aberfeldy	Tayside

Colleges of Education

Mr. Wilson asked the Secretary of State for Scotland with reference to pararaph 1:3 of the report by the Comptroller and Auditor General on the Scottish colleges of education, for what reasons the Scottish Education Department considers the present arrangements for the planning of higher education unsatisfactory; and what proposals he has to improve the arrangements for the planning of higher education in Scotland.

Mr. Allan Stewart: Forward planning of degree and degree-equivalent provision in the non-university sector of Scottish higher education is carried out by the Scottish education department, in consultation with the institutions offering such provision and with other interests, but there no formal arrangements for including the universities in that framework. My right hon. Friend will be considering future planning arrangements for the whole of Scottish higher education in the light of the report by the Scottish Tertiary Education Advisory Council, which he expects to receive later this year.

Mr. Wilson asked the Secretary of State for Scotland what are the detailed criteria applied to lecturers in Scottish colleges of education for the receipt of Crombie compensation.

Mr. Allan Stewart: Crombie compensation is payable to college of education staff who satisfy the requirements of the Grant-Aided Colleges (Compensation) (Scotland) Regulations 1977, as amended by the Grant-Aided Colleges (Compensation) (Scotland) Amendment Regulations 1981, which had the effect of disapplying the 1977 regulations where loss of employment or loss of diminution of emoluments occurs as a result of a direction on student intakes given or regulations on college closures made after 14 August 1981. Copies of the 1977 and 1981 regulations are available in the Library.

Mr. Wilson asked the Secretary of State for Scotland how many lecturers in Scottish colleges of education received Crombie compensation in *(a)* 1983-84 and *(b)* 1984-85.

Mr. Allan Stewart: There were two new cases in 1983-84 and three in 1984-85.

Children (Tooth Decay)

Lord James Douglas-Hamilton asked the Secretary of State for Scotland (1) what was the percentage proportion of children of different ages with known tooth decay in Scotland over each of the last five years;

(2) what was the average number of teeth with known tooth decay experienced by children in Scotland over each of the last five years.

Mr. John MacKay: Detailed information is available only for 1983 as follows:

Age of children (years)	*Percentage of children with one or more permanent teeth that are, or have been, decayed*	*Average number of permanent teeth with decay experience*
5	2	0·0
6	11	0·2
7	37	0·8
8	60	1·5
9	70	2·1
10	79	2·7
11	88	3·6
12	90	4·5
13	94	5·9
14	95	6·8
15	98	8·4

Source: OPCS Survey "Children's Dental Health in the United Kingdom 1983".

Industrial Output

Mr. Gordon Brown asked the Secretary of State for Scotland what is the latest figure for the output of *(a)* production and construction industries and *(b)* manufacturing industries in Scotland, as a proportion of output in June 1979.

Mr. Allan Stewart: The index of industrial production and construction for Scotland is compiled quarterly, and the latest available information relates to the fourth quarter of 1984. For the sectors requested, output in that period as a proportion of the figure for the second quarter of 1979 was as follows:

Production and Construction Industries	0·923
Manufacturing Industries	0·940

Job Losses

Mr. Gordon Brown asked the Secretary of State for Scotland what is the latest figure for the number of jobs lost since June 1979 in *(a)* manufacturing industries and *(b)* all industries and services.

Mr. Allan Stewart: The seasonally adjusted number of employees in employment in Scotland is provisionally estimated to have fallen by 174,000 in manufacturing industries and by 163,000 in all industries and services between June 1979 and December 1984.

Electronics Industry (Labour Statistics)

Mr. Gordon Brown asked the Secretary of State for Scotland if he will state the numbers of employees in electronics in Scotland in *(a)* 1979 and *(b)* 1985, or the nearest available date; if he will break down those employees by sector and occupations; and if he will explain the basis on which he calculates his figures or estimates, including the proportion of electronics employers consulted in the completion of the figures.

Mr. Allan Stewart: Comprehensive information is not available on the basis requested. In 1978, the total number of employees in employment in electronics is estimated to have been some 37,000 and the breakdown by MLH industries in the 1968 standard industrial classification was as follows:

	thousand
MLH 354 Scientific and industrial instruments and systems	8·3
MLH 363 Telegraph and telephone apparatus and equipment	2·7
MLH 364 Radio and electronic components	10·0
MLH 365 Broadcast receiving and sound reproducing equipment	0·7
MLH 366 Electronic computers	8·1
MLH 367 Radio, radar and electronic capital goods	7·4

These estimates are taken from the Annual Census of Employment.

Total employment in the electronics industry in mid-1983 is estimated to have been 42,500: this estimate is based on information held in the regional data system which incorporates employment information provided by employers to a range of Government inquiries and also from other sources. It is not directly comparable with the 1978 estimate because of the change in the standard industrial classification introduced in 1980.

NHS (Staff)

Mr. Maxton asked the Secretary of State for Scotland how many medical laboratory scientific officers are employed by the National Health Service in Scotland.

Mr. John MacKay: The latest available statistics show that at 30 September 1984 2227·2 whole-time equivalent medical laboratory scientific officers were employed.

Mr. Maxton asked the Secretary of State for Scotland how many principal medical laboratory scientific officers are employed by the National Health Service in Scotland.

Mr. John MacKay: The latest available statistics show that at 30 September 1984 nine whole-time equivalent principal medical laboratory scientific officers were employed.

Mr. Maxton asked the Secretary of State for Scotland how many physicists, biochemists and clinical psychologists are employed by the National Health Service in Scotland; and, of each group, how many are in the top grade.

Mr. John MacKay: The information requested, based on the latest available statistics as at 30 September 1984, is as follows:

Grade	*Whole-time equivalent*	*Whole-time equivalent top grade*
Physicists	120·0	14·0
Biochemists	278·8	21·0
Clinical Psychologists	144·6	15·0

Youth Training Scheme

Mr. Ron Brown asked the Secretary of State for Scotland how many young people in Scotland have had experience of the youth training scheme; and how many subsequently secured permanent jobs.

Mr. Allan Stewart: Some 83,733 young people have entered the youth training scheme in Scotland between its

inception in 1983 and the end of May 1985. Precise information on the number of YTS trainees subsequently taking up employment is not available. However, the results from the Manpower Services Commission's sample survey of 15 per cent. of young people who left the scheme between July and September 1984 suggest that some 56 per cent. of leavers in Scotland were in employment some three months after leaving the scheme. The full results of the sample survey are available in the Library.

Labour

Mr. Ron Brown asked the Secretary of State for Scotland how many people under the age of 25 years are currently unemployed in Lothian, and in Scotland as a whole.

Mr. Allan Stewart: I refer the hon. Member to my right hon. Friend's letter of 22 October 1984 to all Scottish Members. The information requested is available in the House of Commons Library.

EDUCATION AND SCIENCE

Language Teaching

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what steps he is taking to encourage the teaching of modern foreign languages in schools.

Mr. Dunn: The White Paper "Better Schools" (Cmnd. 9469) published in March, made clear our view that the great majority of pupils should receive in the first three years of secondary school a course in a foreign language designed to be of lasting value; that most should continue to study a foreign language in years four and five of secondary school; and that a second foreign language should be offered to those pupils who can benefit from it. These issues will be considered further in the policy statement on foreign languages which we propose to issue later this year.

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science (1) how many pupils in state schools in the United Kingdom learn Japanese;

(2) how many pupils in United Kingdom state schools learn languages other than European ones; and how many learn each language.

Mr. Dunn: Returns to the Department do not provide these figures; but maintained school provision for non-European languages is rare.

School Meals

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what was *(a)* the total Government expenditure on school meals and *(b)* expenditure on free school meals for each year since 1978-79 expressed in (i) cash terms, (ii) real terms using 1984-85 prices and (iii) index form using 100 as a base for 1978-79; what was the proportion of the school population receiving school meals during the period; and what was the proportion receiving free school meals.

Mr. Dunn: The information is in the following table. It is for local authority expenditure only; the Government's contribution to this expenditure cannot be separately identified for school meals.

	Total expenditure on school meals			*Expenditure on free* school meals*			*Pupils receiving*	
	£ million cash	*£ million real† terms*	*Index*	*£ million cash*	*£ million real† terms*	*Index*	*Meals*	*Free meals*
1978-79	376·0	670·0	100	118·3	210·8	100	65·9	13·9
1979-80	409·2	623·8	93	113·9	173·6	82	64·1	11·9
1980-81	391·2	502·5	75	124·7	160·2	76	48·2	9·9
1981-82	391·1	456·8	68	147·4	172·2	82	49·0	11·9
1982-83	411·3	449·4	67	174·8	191·0	91	49·4	13·9
1983-84	426·6	445·8	67	199·8	208·8	99	51·4	15·9

* The gross expenditure on all meals has been apportioned to free pupils in the ratio of free pupil to total pupil meals.
† Real term figures are the cash figures adjusted to 1984-85 prices using the GDP deflator at market prices.

Pupil Costs

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what is the average cost per pupil in *(a)* nursery schools, *(b)* nursery classes, *(c)* primary schools, *(d)* secondary schools and *(e)* special schools.

Mr. Dunn: The information as requested is given in the following table. It relates to 1983-84, the latest year for which firm figures are available.

Cost per pupil—England

	£ (cash)
Nursery schools	1,230
Nursery classes	855
Primary schools	725
Secondary schools	1,015
Special education	3,265

European University, Florence

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what contribution was made by the United Kingdom to the European University in Florence in the latest financial year; how many students attended the university; how many of those students were British; and what was the expenditure per student.

Mr. Dunn: The contribution of the United Kingdom to the European University Institute was £779,000 in the financial year 1984-85. The EUI is a wholly postgraduate institution whose international staff pursues programmes of research into European topics in the social and human sciences. These activities also provide both a framework of support for the preparation of individual doctoral theses and a forum for seminars and colloquia in which outstanding European scholars participate. The national contributions do not therefore relate solely to the support

of individual doctoral students and there is no basis on which a meaningful unit cost per student could be derived. The total number of such students is 159 in the academic year 1984-85, of whom 21 are British citizens.

Warwickshire

Mr. Pawsey asked the Secretary of State for Education and Science (1) what information he has as to the number of teachers in post in Warwickshire; and how that figure compares with the figure for 1979;

(2) what information he has as to the number of pupils in schools in Warwickshire; and how that figure compares with the figure for 1979;

(3) what information he has as to the current pupil-teacher ratio in Warwickshire; and how that figure compares with 1979;

(4) what information he has as to the number of educational advisers in post in Warwickshire; and how that figure compares with the figure for 1979.

Mr. Dunn: The numbers of teachers and pupils and the pupil-teacher ratios in Warwickshire in 1979 and 1984, the latest year for which full information is available, are as follows:

Maintained nursery, primary & secondary schools

	1979 (January)	*1984 (January)*
Number of teachers in post*	4,527	4,016
Number of pupils in schools*	89,062	77,329
Pupil-teacher ratio overall	19·7	19·3

* Full-time plus full-time equivalent of part-time.

The Department does not routinely collect figures of educational advisers but information obtained specially from the local education authority is that there were 16 advisers in post in both January, 1979 and January 1984.

Teachers (Dispute)

Mr. Canavan asked the Secretary of State for Education and Science whether he will make a statement about the teachers' pay dispute.

Sir Keith Joseph: On 23 May the management panel of the Burnham primary and secondary committee increased its 1985 pay offer to 5 per cent. The teachers' panel rejected this and again refused to go to arbitration. I set out the Government's position in my letter of 21 May to the education chairmen of the local authority associations. A copy of this letter has been placed in the Library.

Science and Engineering

Mr. Freud asked the Secretary of State for Education and Science whether he will list *(a)* the output of first degree science and engineering home graduates for each university and *(b)* the percentage change in each case over the previous year in each year since 1981.

Mr. Brooke: This information could be provided only at disproportionate cost.

University Funding

Mr. Freud asked the Secretary of State for Education and Science what is the percentage change in funding to each university by the Universities Grants Committee in each year since 1981.

Mr. Brooke: The percentage change in funding to each university by the University Grants Committee in each year between the academic years 1981-82 and 1983-84 (the latest year for which complete figures are available) is given below. The figures are based on the total recurrent grants paid to universities through the University Grants Committee plus the equipment and furniture grant. They exclude other non-recurrent Exchequer grants. The figures reflect a number of funding changes including the additions made to recurrent grant to compensate for changes in the level of the home undergraduate fee, the cost of compensating staff for redundancy or early retirement and changes to take account of the increase in the value of minor capital works that can be funded from recurrent grant. The different level of local authority rates and the inclusion of the costs of staff compensation make the changes from year to year and comparisons between individual universities potentially misleading.

University	*Percentage change between 1981-82 and 1982-83*	*Percentage change between 1982-83 and 1983-84**
Aston	19·9	−3·6
Bath	24·4	5·1
Birmingham	19·2	2·3
Bradford	20·1	1·0
Bristol	25·0	1·0
Brunel	13·3	−1·4
Cambridge	21·4	3·6
City	18·5	−6·7
Durham	21·7	4·1
East Anglia	23·3	−3·6
Essex	23·0	4·1
Exeter	30·1	2·3
Hull	22·4	4·7
Keele	17·3	−5·7
Kent	19·0	7·0
Lancaster	26·5	5·0
Leeds	16·5	4·5
Leicester	25·4	1·0
Liverpool	16·4	3·3
London Graduate School of Business Studies	16·7	11·3
London University	7·9	1·4
Loughborough	22·7	5·9
Manchester Business School	0·6	−3·0
Manchester University	12·7	4·2
University of Manchester Institute of Science and Technology	33·5	−15·7
Newcastle	18·2	4·0
Nottingham	21·7	3·2
Oxford	20·2	5·0
Reading	21·8	2·5
Salford	45·8	−15·4
Sheffield	18·5	0·9
Southampton	28·7	−3·3
Surrey	29·1	−2·1
Sussex	24·3	−0·9
Warwick	26·7	4·0
York	26·3	5·8
Aberysthwyth U.C.	19·3	7·5
Bangor U.C.	24·8	−5·2
Cardiff U.C.	24·0	5·0
St. David's, Lampeter	56·2	5·9
Swansea U.C.	12·8	2·5

University	Percentage change between 1981-82 and 1982-83	Percentage change between 1982-83 and 1983-84*
University of Wales Institute of Science and Technology	24·8	8·6
Welsh National School of Medicine	18·8	0·3
Aberdeen	13·0	1·0
Dundee	25·1	−0·8
Edinburgh	16·3	0·4
Glasgow	18·4	6·5
Heriot-Watt	19·9	2·2
St. Andrews	15·9	−0·8
Stirling	21·6	−1·1
Strathclyde	13·7	2·5

* Based on provisional figures for 1983-84.

Lecturers (Colleges of Education)

Mr. Wilson asked the Secretary of State for Education and Science what are the detailed criteria applied to lecturers in colleges of education for receipt of Crombie compensation.

Mr. Brooke: The conditions for the payment of Crombie compensation are laid down in The Colleges of Education (Compensation) Regulations 1975, (SI 1975 No. 1092) as amended by the Colleges of Education (Compensation) (Amendment) Regulations 1981, (SI 1981 No. 1088), copies of which are in the Library.

Mr. Wilson asked the Secretary of State for Education and Science how many lecturers in colleges of education in England and Wales received Crombie compensation in *(a)* 1983-84 and *(b)* 1984-85.

Mr. Brooke: The information requested is not held centrally.

Teachers

Mr. Lord asked the Secretary of State for Education and Science how many teachers were employed by local education authorities in England and Wales in the years 1954, 1964, 1974 and 1984; and what was the cost of their employment in each of these years.

Mr. Dunn: The information that is readily available is given in the following table. The figures relate to maintained nursery, primary and secondary schools.

	No. of Full-time Equivalent Teachers (thousands)	Teacher Salary Costs (£million, at current prices)
1953	Not available	137
1964	300	375
1974	434	1,095
1984	439	4,813

Examining Boards

Mr. Lord asked the Secretary of State for Education and Science how many examining boards in England and Wales are currently setting examinations for GCE A-level and O-level, and CSE examinations; and what steps are being taken to reduce the number.

Mr. Dunn: Currently eight boards set GCE A and O-level examinations and 12 set CSE examinations. The new GCSE examinations, which are to replace O-level and CSE from 1988 onwards, will be administered by five groups of GCE and CSE boards.

Educational Advisers

Mr. Lord asked the Secretary of State for Education and Science how many educational advisers were employed by local education authorities in England and Wales in the years 1954, 1964, 1974 and 1984; and what was the cost of their employment in each of these years.

Mr. Dunn: Information on numbers of advisors is not available centrally for 1954, 1964 or 1974. There were about 1,900 local education authority inspectors and advisers in post in England at the end of 1984. The cost of advisers is not separately identifiable in figures available centrally. Information about local education authority advisers in Wales is the responsibility of my right hon. Friend the Secretary of State for Wales.

Teacher Training

Mr. Freud asked the Secretary of State for Education and Science when he expects to publish the replacement to circular 11/78 about the criteria for entry to teacher training; and if he will make a statement.

Mr. Dunn: A draft of a replacement for circular 11/78, which would offer revised guidance on medical standards for entry to initial teacher training, was issued for consultation in September 1984. Responses to the draft are under consideration and the circular will be issued as soon as possible.

Mr. Freud asked the Secretary of State for Education and Science what representations he has received concerning the inclusion of the medical concept of deafness in the draft circular to replace circular 11/78 about the criteria for entry to teacher training; and whether he will make a statement on using ability to communicate as a criteria for entry to teacher training.

Mr. Dunn: Some 10 of the organisations which commented on the draft circular have made representations about the guidance included in the draft on the implications of defective hearing for admission to teacher training. These and other representations on the draft circular are being considered. Decisions on admissions to courses of initial teacher training rest with the training institutions, which have a responsibility to satisfy themselves, in the light of the medical advice available to them, as to the health and physical capacity for teaching of intending entrants to initial training. A relevant consideration is the implication of any hearing defect for the person's capacity to give effective service as a teacher in the maintained system.

Dentistry

Lord James Douglas-Hamilton asked the Secretary of State for Education and Science what was the percentage of the population in Scotland, England and Wales attending degree courses for dentistry in universities in the United Kingdom for each of the last 20 years, giving separate figures for Scotland, England and Wales; and what were the corresponding figures in each case for the percentages qualifying.

Mr. Brooke: I shall reply to my hon. Friend as soon as possible.

University Students

Lord James Douglas-Hamilton asked the Secretary of State for Education and Science (1) what is the percentage of the population in Scotland attending universities in the United Kingdom in each of the last 20 years;

(2) what is the percentage of the population in England attending universities in the United Kingdom in each of the last 20 years;

(3) what is the percentage of the population in Wales attending universities in the United Kingdom in each of the last 20 years.

Mr. Brooke: I shall reply to my hon. Friend as soon as possible.

Youth Training

Mr. Sheerman asked the Secretary of State for Education and Science what was the participation rate for 16, 17, 18, 19, 20 and 21-year-olds in education and training in each of the years since 1975; and what information he has as to how these figures compare with the rates for the United Kingdom's principal economic competitors.

Sir Keith Joseph: I shall reply to the hon. Member as soon as possible.

EMPLOYMENT

Labour Statistics

Mr. Pawsey asked the Secretary of State for Employment how many people are now employed in the Coventry travel-to-work area; and how that figure compares with each month since the new travel-to-work areas were established.

Mr. Alan Clark: I regret that the information is not available. Comprehensive employment statistics for local travel-to-work areas are not available except for dates when censuses of employment are taken. Censuses have been taken triennially since 1978 and the latest results are for September 1981. At that time, there were 215,000 employees in employment in the Coventry and Hinckley travel-to-work area.

More up-to-date employment figures for travel-to-work areas will become available following the publication of the 1984 census of employment early in 1986.

Mr. Pawsey asked the Secretary of State for Employment how many people are now employed in the Rugby local authority area; and how that compares with each month for the last year.

Mr. Alan Clark: Employment statistics for local authority areas are not available except for dates when censuses of employment are taken. The latest available figures are from the 1981 census of employment and show that 31,300 employees were employed in the local authority district of Rugby at that time. Estimates from the following September 1984 census are not yet available.

Mr. Tony Banks asked the Secretary of State for Employment how many people under the age of 21 years in *(a)* Slough, *(b)* Windsor and *(c)* Bracknell have never had a job since leaving school.

Mr. Alan Clark: The following information is in the Library. The table shows, for the Slough, Windsor and Bracknell jobcentre areas, the number of unemployed claimants aged 18 years and younger who have not had a job since leaving full time education. No information is separately available for those aged 19 and 20 years.

Unemployed school leavers aged 18 and under—9 May 1985

	Number
Slough	132
Windsor	3
Bracknell	71

Mr. Tony Banks asked the Secretary of State for Employment how many people under the age of 25 years have been unemployed for *(a)* between six months and one year, *(b)* between one year and two years and *(c)* over two years in the Slough travel-to-work area.

Mr. Alan Clark: The following information is available in the Library. On 11 April 1985, the latest date for which an analysis of unemployment by age and duration is available, in the former Slough travel-to-work area 580 claimants under 25 years of age had been unemployed for between six months and one year, 278 for between one year and two years, and 186 for over two years.

2,4,5-T

Mr. Nellist asked the Secretary of State for Employment how many complaints have been received by the Health and Safety Executive concerning the effects of the 16 proprietary products containing 2,4,5-T listed in the answer to the hon. Member for Carmarthen (Dr. Thomas) on 7 June, *Official Report*, column 294, in each of the last five years; and what action has been taken in pursuance of those complaints.

Mr. Peter Bottomley: The number of incidents involving alleged damage to health reported to Her Majesty's agricultural inspectorate from 1980-84 was three. Each incident was investigated.

Agricultural Inspectorate

Mr. Nellist asked the Secretary of State for Employment where the 161 agricultural inspectors mentioned in his answer of 18 June, *Official Report*, column 74, are based.

Mr. Peter Bottomley: One hundred and forty-nine of the 161 agricultural inspectors in post on 1 June work in the field and are based at 34 offices throughout Great Britain. A further 10 work in the agricultural inspectorate's headquarters on Merseyside, and two work in other parts of the Health and Safety Executive in Merseyside and Preston.

Mr. Nellist asked the Secretary of State for Employment if he will express the agricultural inspectorate budget, for each of the last six years, in 1985 prices.

Mr. Peter Bottomley: Spending by the agricultural inspectorate is given in column (2) of the following table. When these figures are adjusted using the single index most widely used for such purposes, the gross domestic product deflator, the figures are as shown in column (3).

When using those figures it should be remembered that a number of elements within the agricultural inspectorate's budget have not moved in line with the gross domestic product over this period.

Year (1)	Spend £ thousands (2)	At 1984-85 prices £ thousands (3)
1984-85	3,411	3,411
1983-84	3,342	3,295
1982-83	3,291	3,603
1981-82	2,746	3,213
1980-81	2,454	3,207
1979-80	2,008	3,129

Mr. Nellist asked the Secretary of State for Employment if he will list the number of prosecutions made by the Health and Safety Executive agricultural inspectorate between 1979 and 1985 and the average cost or penalty imposed at 1985 prices.

Mr. Peter Bottomley: The number of prosecutions undertaken by Her Majesty's agricultural inspectorate between 1979 and 1984 and the average penalty imposed at 1985 prices are shown in the following table:

Year	Number of informations laid	Average penalty relative to 1985 prices
1979	295	140
1980	301	94
1981	285	111
1982	208	148
1983	220	167
1984	306	148

Notes: (1) Information for 1985 is not yet available.
(2) Figures for 1984 are provisional.

Youth Training Scheme

Mr. Boyes asked the Secretary of State for Employment what arrangements were made by the Manpower Services Commission for the provision of sign language interpreters for deaf trainees on the youth training scheme for off-the-job training in colleges and elsewhere.

Mr. Peter Morrison: The Manpower Services Commission recognises the value of sign language interpreters for deaf young people on the youth training scheme. The prime responsibility for providing these interpreters rests with managing agents and sponsors, but the commission will consider paying for them on an individual basis when an unmet need has been identified and the costs cannot be met by the managing agent or sponsor.

Training

Mr. Sheerman asked the Secretary of State for Employment (1) if he will list the numbers *(a)* entering apprenticeships, *(b)* in apprenticeships and *(c)* completing apprenticeships in each of the industries for which industrial training boards have operated in each year since 1964;

(2) what was the projected cost of the youth training scheme at current prices in the year of its announcement; and what are the costs for 1984-85 and the projected cost for 1985-86 adjusted to the prices of that year;

(3) what was the level of Exchequer support for apprenticeships at current and at constant prices in each of the years from 1964 to 1985;

(4) how many people benefited from the adult training strategy in 1984-85; what is the estimate for 1985-86 and 1986-87; what will be the average number of direct contact hours they will have with trainers; and how these numbers and averages compare with adult training conducted in the years 1975 to 1984 for which his Department was directly or indirectly responsible.

Mr. Peter Morrison: I shall reply to the hon. Member as soon as possible.

FOREIGN AND COMMONWEALTH AFFAIRS

Grenada

Mr. Freeman asked the Secretary of State for Foreign and Commonwealth Affairs if he is satisfied with progress with the return to democratic and peaceful government in Grenada.

Mr. Renton: The report of the British high commissioner to Grenada who observed the elections held in Grenada on 3 December 1984 concluded that the proceedings had been conducted in a free, fair and secret manner. A copy of the high commissioner's report was placed in the Library of the House. Nothing has happened since that has changed our views on the peaceful progress of democracy in Grenada.

High Commission, Colombo

Mr. Corbyn asked the Secretary of State for Foreign and Commonwealth Affairs on how many occasions in the period since 1 April the police have visited Her Majesty's high commission in Colombo, Sri Lanka.

Mr. Renton: To the high commission's knowledge there have been four visits. Two were to inquire about theft and one concerned an unruly visitor who was removed at the high commission's request. The fourth occurred early on 11 June when an individual in the queue outside the high commission ran away when approached by the police.

Mr. Corbyn asked the Secretary of State for Foreign and Commonwealth Affairs what arrangements are made for those people wishing to apply for visas to travel to the United Kingdom from Colombo to queue at the high commission.

Mr. Renton: Queues form each working day outside the high commission compound before the consular immigration section opens. Once open, the high commission admits those applicants whom it can process that day. The remaining applicants are given appointments for the following day. The high commission is currently processing approximately 80 applications per working day.

Mr. Corbyn asked the Secretary of State for Foreign and Commonwealth Affairs what arrangements there are for asylum seekers from areas of Sri Lanka outside Colombo to contact or be interviewed by Her Majesty's high commission.

Mr. Renton: There are no arrangements for entry clearance applicants to be interviewed outside Colombo.

The high commission has received no reports of any problems experienced by Sri Lankans travelling to Colombo for interviews. All applicants, including those from the north and east, are asked whether they had any problems and, to date, none has complained. Applicants can, of course, telephone the high commission from all over Sri Lanka.

Chile

Mr. Corbyn asked the Secretary of State for Foreign and Commonwealth Affairs how many interviews have been conducted by staff in the embassy in Chile with people wishing to seek refuge in the United Kingdom.

Mr. Renton: None in the past 12 months.

Mr. Corbyn: asked the Secretary of State for Foreign and Commonwealth Affairs how many prison or detention centre visits have been made by embassy staff in Chile in the past two years; and how many prisoners were interviewed during those visits.

Mr. Renton: In the last two years only one British citizen has been in detention in Chile. He was arrested in October 1983 and has been visited six times since his arrest.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs if he will place in the Library a copy of the paper of the South American department of his Department dated 19 November 1984, referring to an arms embargo against Chile.

Mr. Renton: No.

Greece (Airport Security)

Mr. Peter Bruinvels asked the Secretary of State for Foreign and Commonwealth Affairs if he will make representations to the Greek Government regarding security standards at international airports in Greece; and if he will make a statement.

Mr. Renton: At the meeting of the Foreign Affairs Council of the European Community of 18 June, my right hon. and learned Friend drew attention to the anxiety felt by many about security at Athens airport. He offered assistance should the Greek authorities require it. We understand an IATA security team is to visit Athens shortly at Greek request.

Middle East

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs whether Her Majesty's ambassador in Amman has reported to him on the recent speech by the chairman of the political committee of the Palestine National Council, as recorded on BBC World Service Radio Newsreel on 9 June, criticising the Hussein-Arafat agreement; and whether the Ambassador has conveyed any message to King Hussein about his reaction.

Mr. Luce: We have noted criticism by individual Palestinian representatives of the agreement of 11 February between King Hussein and the chairman of the Palestinian Liberation Organisation. Official PLO spokesmen stress Mr. Arafat's support for King Hussein's initiative.

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs what report he has received from Her Majesty's ambassador in Tel Aviv of the speech to the Knesset by Prime Minister Shimon Peres on 10 June in which he put forward a peace plan; and what is the policy of Her Majesty's Government towards the substance of the proposals.

Mr. Luce: We consider that Mr. Peres' remarks contain a number of points which contribute usefully to the narrowing of the gap between the parties to the Arab-Israel dispute.

Uganda

Mr. Alton asked the Secretary of State for Foreign and Commonwealth Affairs if he has made any representations to the Ugandan Government following the publication of Amnesty International's report on atrocities in that country; and if he will make a statement.

Mr. Rifkind: I have read the report and its recommendations with great concern, and it is being studied in detail. I have invited the Ugandan high commissioner to discuss the issues raised.

Old Admiralty Building (Security)

Mr. Crowther asked the Secretary of State for Foreign and Commonwealth Affairs what increase in expenditure will result from the decision to transfer the responsibility for silent hours security cover at the Old Admiralty Building from the Property Services Agency custodians to his Department's security force.

Mr. Renton: I do not expect expenditure to increase as a result of the decision to withdraw from the present arrangements with the Property Services Agency custody services at the Old Admiralty building. There may indeed be some small savings.

Mr. Peter Nadin

Mr. Corbyn asked the Secretary of State for Foreign and Commonwealth Affairs if he will publish in the *Official Report* a copy of the recent letter from the Parliamentary Under-Secretary, the hon. Member for Mid-Sussex (Mr. Renton), to the hon. Member for Islington, North regarding the death of Mr. Peter Nadin in Greece.

Mr. Renton: Yes. The text is as follows:

"In my reply to your Parliamentary question on 25 March, I said that I would write to you when a reply was received from the Greek authorities following further representations made by our Embassy about the case of Mr. Peter Nadin.

The Greek Ministry of Foreign Affairs have now made available copies, with translations, of the papers from the police files dealing with the death of Mr. Nadin. I enclose copies of these documents a set of which has also been sent to Croydon Coroner's Court. Our Consular Department have written to Mr. Nadin's widow informing her of this.

The papers do not give many details of the events leading up to Mr. Nadin's death. However, our Consul reports that the Public Prosecutor on Syrob has promised to review the case and to send the Embassy his findings through the Ministry of Justice. The Public Prosecutor gave no indication of when this is likely to be but I will write to you again when his findings have been received."

THE ARTS

Arts Council

Mr. Tony Banks asked the Parliamentary Under-Secretary of State answering in respect of the Arts (1) what negotiating machinery exists between the Arts Council of Great Britain and the trades unions with which it is involved;

(2) if he will state the qualifications of Mr. Ronald Grierson to be a member of the Arts Council of Great Britain.

Mr. Waldegrave: I shall let the hon. Member have a reply as soon as possible.

South Bank Board

Mr. Tony Banks asked the Parliamentary Under-Secretary of State answering in respect of the Arts if he will make a statement about the progress of the South Bank board.

Mr. Waldegrave: The Arts Council of Great Britain will be setting up a South Bank Board when the Local Government Bill becomes law and the necessary amendments have been made to its charter; meanwhile, the council's officials are carrying out such preliminary work as is possible in the circumstances.

HOUSE OF COMMONS

Office Accommodation

35. **Mr. Dormand** asked the Lord Privy Seal whether he is satisfied with the progress being made in providing office accommodation for hon. Members; and if he will make a statement.

Mr. Biffen: Yes. Final sketch plans for phase 1 of the new parliamentary building have been developed by the design team in accordance with the design brief given to the architects in the Services Committee's Third Report of 1983-84. These plans are now under consideration by the Services Committee's New Building Sub-Committee.

37. **Mr. Boyes** asked the Lord Privy Seal what recent representations he has received from hon. and right hon. Members about the relative amounts of office space available to hon. Members in various parts of the House of Commons and its outbuildings.

Mr. Biffen: The subject of Members' accommodation has been raised with me by hon. Members on a number of recent occasions.

Library Staff (Statistics)

38. **Mr. Chapman** asked the Lord Privy Seal what estimate has been made of the proportion of House of Commons Library staff time spent on *(a)* dealing directly with hon. Members' requests and *(b)* dealing with research assistants' and other requests on behalf of hon. Members; and if he will make a statement.

Mr. Biffen: On the basis of a survey taken on 13 June 1985, 80 per cent. of Library staff time was spent dealing directly with hon. Members' requests and 20 per cent. dealing with research assistants and other requests on behalf of hon. Members.

Running Costs

39. **Mr. Peter Bruinvels** asked the Lord Privy Seal what were the total costs arising from the running of the House of Commons in 1984-85 on Votes for which he is responsible; how that compares with each of the past three financial years; and if he will make a statement.

Mr. Biffen: I am not directly responsible for any of the Votes out of which the costs of running the House of Commons are met. However the figures for the financial year 1984-85 is approximately £57 million. This compares with roughly £51 million for 1983-84, £45 million for 1982-83 and £42 million for 1981-82. These figures do not include the PSA's expenditure on the House of Commons, as figures are available only for the PSA's expenditure on the Palace of Westminster as a whole.

NORTHERN IRELAND

Lands Tribunal (Hearing)

Mr. John David Taylor asked the Secretary of State for Northern Ireland when the Registrar of the Northern Ireland Lands Tribunal expects to be able to list for hearing the case of Mr. W. R. Mahood v Department of the Environment for Northern Ireland (Roads Service) concerning land at 68A Bangor Road, Newtownards.

Dr. Boyson: I understand that the case has been listed for mention before the Northern Ireland Lands Tribunal on Thursday 27 June.

Power Stations (Fuel)

Mr. Beggs asked the Secretary of State for Northern Ireland what consideration is being given to converting oil-fired power stations to coal-lignite in addition to the Kilroot power station; and if he will list all Northern Ireland power stations which are oil-fired at present and which could be converted to coal-lignite burning stations.

Dr. Boyson: None. The other oil-fired power stations in Northern Ireland are Ballylumford and Coolkeeragh.

Combined Heat and Power

Mr. Beggs asked the Secretary of State for Northern Ireland what study he has carried out into whether a combined heat and power station in Northern Ireland would improve energy efficiency in the province.

Dr. Boyson: Northern Ireland is part of the national programme of studies on the potential for combined heat and power and district heating in the United Kingdom, which is the responsibility of my right hon. Friend the Secretary of State for Energy. Under this programme the Department of Energy has offered the Belfast joint venture a grant of £250,000 to pursue further studies on combined heat and power in the city of Belfast.

Under the Northern Ireland energy conservation scheme, adminstered by the Department of Economic Development, financial assistance of up to 30 per cent. is available to industry and commerce for combined heat and power projects.

General Practitioners

Mr. Hume asked the Secretary of State for Northern Ireland if he will make a statement outlining the present

policy on the limitation and selection of general practitioner trainees in Northern Ireland, the reasons for this policy and the number involved.

Mr. Chris Patten: The policy of the Department of Health and Social Services is to match the number of doctors entering vocational training programmes with the estimated number of future general practice principal vacancies in Northern Ireland. The aim is to achieve a balance between the supply of and demand for general practitioners. The present intake to vocational training is 50 per annum.

Mr. Hume asked the Secretary of State for Northern Ireland if he will make a statement outlining how the vocational training regulations, and the selection of general practitioner trainees, in Northern Ireland differ from those arrangements which obtain in Great Britain.

Mr. Chris Patten: The vocational training regulations in Northern Ireland, Scotland, England and Wales are similar and set out the medical experience which is required for a doctor in general practice to provide general medical services.

In Northern Ireland the intake to vocational training programmes is designed to match the estimated number of future general practitioner principal vacancies. The selection procedure is contained in departmental circulars, copies of which are available in the Library. In Great Britain the number of trainees accepted for vocational training is determined by the number of approved general practitioner training practices; trainees are selected by individual general practitioner trainers.

Mr. Hume asked the Secretary of State for Northern Ireland if he will give consideration to amending implementation of the vocational training regulations in line with the proposed European Economic Community directive on vocational training which has been accepted and approved by the General Medical Services Committee, United Kingdom.

Mr. Chris Patten: If the proposed directive is adopted by the Council of Ministers in the Community it will be necessary to amend the Medical Practitioner (Vocational Training) Regulations (Northern Ireland) 1979 to make provision for immigrant doctors who have completed at least two years vocational training in other member states of the Community to enter general practice in Northern Ireland. It may also be necessary to amend the regulations to make vocational training mandatory for deputies, assistants and locums in general practice.

Private Patients

Mr. Dobson asked the Secretary of State for Northern Ireland if he will give for Northern Ireland and for each year since 1979 the income received from private patients in National Health Service hospitals *(a)* in gross terms, *(b)* revalued by the retail price index and *(c)* revalued by the National Health Service pay and prices index.

Mr. Chris Patten: The information requested is shown in the following table.

Financial year	*Private patient income* £	*Revalued to 1983-84 levels (retail prices index)* £	*Revalued to 1983-84 levels (NHS pay and prices)* £
1979-80	547,947	796,277	849,318
1980-81	465,387	581,315	563,584
1981-82	595,997	719,368	666,921
1982-83	806,833	843,705	847,981
1983-84	1,036,336	1,036,336	1,036,336

Mr. Dobson asked the Secretary of State for Northern Ireland if he will give for each year since 1979 the total amount Northern Ireland health boards have written off as bad debts because of private patients not paying their bills.

Mr. Chris Patten: The information requested is shown in the following table:

Financial year (in which debt arose)	*Total amount of private patient bad debts written off* £
1979-80	1,360
1980-81	574
1981-82	383
1982-83	2,490
1983-84	363

Droppin Well Bombing (Remands)

Mr. McNamara asked the Secretary of State for Northern Ireland (1) if he will give the length of custodial remand undergone by persons charged in connection with the Droppin Well bombing; and if he will make a statement as to when the trial of such persons may be expected to take place;

(2) how the period of custodial remand undergone by persons charged in connection with the Droppin Well bombing compares with the average period of remand without bail for persons charged with scheduled offences in Northern Ireland; and if he will comment on reasons for any abnormal delay in bringing persons charged in connection with the Droppin Well bombing to trial.

Mr. Scott: I shall reply to the hon. Member as soon as possible.

NHS (Staff)

Mr. Maxton asked the Secretary of State for Northern Ireland how many medical laboratory scientific officers are employed by the National Health Service in Northern Ireland.

Mr. Chris Patten: Approximately 470.

Mr. Maxton asked the Secretary of State for Northern Ireland how many principal medical laboratory scientific officers are employed by the National Health Service in Northern Ireland.

Mr. Chris Patten: None.

Mr. Maxton asked the Secretary of State for Northern Ireland how many physicists, biochemists and clinical psychologists are employed by the National Health Service in Northern Ireland; and, of each group, how many are in the top grade.

Mr. Chris Patten: At 31 March 1985, there were 15 physicists, 21 biochemists and 34 clinical psychologists. Of these one, three and four respectively were employed in the top grade.

Lear Fan Ltd.

Mr. Arnold asked the Secretary of State for Northern Ireland if he will make a statement about the implications of the decision of Lear Fan Ltd. to cease trading.

Dr. Boyson [*pursuant to his reply*, 3 June 1985, c. *85-86*]: I can confirm that at 28 May 1984, $4·79 million was still to be provided by the Government under the 1982 financial assistance agreement. As a result of the company's decision to cease trading, the Government were released from this commitment. I am now informed that the following payments were made by the Government.

	£ million
Funding prior to September 1982	25·32
Under the September 1982 agreement	17·37
Non-selective assistance	1·25
Ulster Investment Bank guarantee	11·82

The total investment by Her Majesty's Government has therefore been £55·76 million, not £56·28 million as stated earlier.

In addition, the Government will make some payments to the receiver to enable him to secure the company's assets.

NATIONAL FINANCE

European Investment Bank

Mr. Lewis Stevens asked the Chancellor of the Exchequer what steps have been taken to increase the capital of the European Investment Bank; and if he will make a statement.

Mr. Lawson: At its meeting on 11 June 1985, the board of governors of the European Investment Bank agreed that the subscribed capital of the bank should be doubled from 14·4 billion ecus to 28·8 billion ecus from 1 January 1986. Accordingly the board formally decided to increase the subscribed capital for the existing EC member states to 26·508 billion ecus; and further noted that, upon the accession of Spain and Portugal to the Community, subscribed capital would rise further to 28·8 billion ecus, as a result of those member states' subscriptions.

The need for the capital increase arises because EIB own resources loans outstanding are limited to 2·5 times the level of member states' subscribed capital. By the end of 1985, EIB will be close to the current limit, and the new capital increase will allow continued expansion of EIB lending and its contribution to Community development.

Within the new level of 28·8 billion ecus, there will be a redistribution of subscribed capital to bring Italy's subscribed capital up to the same level as that of the United Kingdom, France and Germany.

As a consequence of these decisions, the United Kingdom's subscribed capital will rise from 3·15 billion ecus to 5·509 billion ecus; and the United Kingdom's share of subscribed capital in the enlarged Community will be about 19·1 per cent., the same as that of France, Germany and Italy.

The board of governors also decided that member states would pay in 7·5 per cent. of the increase in subscribed capital, in 12 semi-annual instalments beginning on 30 April 1988 and ending on 31 October 1993. Thus, the United Kingdom will pay some 29·5 million ecus—or about £17 million at the current rate of exchange—in each of the financial years from 1988-89 to 1993-94 inclusive. Payments will be charged to the Consolidated Fund, under section 2(3) of the European Communities Act 1972.

To match the redistribution of subscribed capital described, there will be a redistribution of title to EIB reserves and provisions, as they stand at the end of 1985.

Mortgage Interest Relief

Mr. Lewis Stevens asked the Chancellor of the Exchequer whether, in view of clause 36 of the Finance Bill, any changes are envisaged to the mortgage interest relief at source regulations as they affect loans which qualify for mortgage interest relief but are above the mortgage interest relief limit.

Mr. Moore: The board of Inland Revenue is issuing a press release tomorrow containing a draft of the amendments it proposes to make, after the enactment of the current Finance Bill, to the MIRAS regulations affecting loans above the limit. Copies of the press release will be placed in the Library.

Inflation

Mr. Latham asked the Chancellor of the Exchequer to what factors he attributes recent sharp increases in the rate of inflation; why this has exceeded the expectations which he announced in his Budget statement; and when he expects to resume progress towards the Government's ultimate objective of price stability.

Mr. Peter Rees: I shall let my hon. Friend have a reply as soon as possible.

European Community (Budget)

Mr. Higgins asked the Chancellor of the Exchequer what was the extent of the delay in the submission to the Council by the European Community Commission of the figures necessary for the establishment of the reference framework for the 1986 European Community budget.

Mr. Lawson: Article 1 of the budget discipline conclusions requires the reference framework to be fixed at the beginning of the budgetary procedure. The 1986 budgetary procedure has been delayed because of the late adoption of the 1985 budget and the preliminary draft budget has not yet been published. However, the Commission has provided the figures necessary to calculate the reference framework.

Mr. Spearing asked the Chancellor of the Exchequer what steps have been taken by the Council of the European Economic Community in respect of the reference framework for the 1986 budget as required in articles 1-5 in its Conclusion R. 4972/84 Com (84) 83; and what maximum level of expenditure has been set.

Mr. Ian Stewart: The 11 June ECOFIN Council discussed the procedure for applying the budget discipline conclusions to the 1986 budget. The Italian and

Luxembourg presidencies are now arranging a meeting with the European Parliament after which ECOFIN will be in a position to fix the reference framework in accordance with the budget discipline conclusions.

Exchange Rates

Mr. Gould asked the Chancellor of the Exchequer further to the answer dated 14 May, *Official Report*, column *85*, concerning real exchange rates, if he will provide in addition figures to show *(a)* the relative export prices for manufactures and *(b)* the latest increase in the nominal rate in each case since the fourth quarter of 1984.

Mr. Ian Stewart: I regret that information on other countries' export prices is not available for the period since Q4 1984. It is not therefore possible to answer the first part of the question. Changes in sterling's nominal exchange rates since the fourth quarter of 1984 against certain other currencies are as follows:

Increase (+)/decrease (−) of nominal sterling exchange rate Average Q4 1984 to 20 June 1985

	Per cent.
Dollar	−4·4
Yen	−0·1
Deutschmark	+3·2
French franc	+2·4
Belgium franc*	+1·1
Italian lira	+6·7
Dutch guilder	+3·0

* The Luxembourg franc has the same external value as the Belgian franc.

EC Commission (Staff)

Mr. Teddy Taylor asked the Chancellor of the Exchequer how many persons were employed by the European Economic Community Commission on the most recent date for which figures are available; what was the total cost of administering the Commission on the same date; and what were the comparable figures, respectively, five and 10 years previously.

Mr. Ian Stewart [*pursuant to his reply*, 13 June 1985, c. *507*]: The information requested is set out in the table:

	*Staff complement**	*Staffing cost (mcu)†‡*
1975	9,787	425
1980	11,266	612
1985	12,747	594

* Numbers of permanent staff employed.
† Costs include wages, training, travel expenses, pensions etc.
‡ 1985 prices.

EC (Finance)

Mr. Teddy Taylor asked the Chancellor of the Exchequer what has been the total sum contributed by the United Kingdom to the EEC since 1 January 1973, what has been the total amount received in grants, rebates and other payments over the same period; and how much of the total sums received were in respect of payments to facilitate the subsidised export of food to third countries.

Mr. Ian Stewart [*pursuant to his reply*, 20 June 1985, c. *222-23*]: The most recent information of the United Kingdom's total contribution to the EC including receipts and refunds since 1 January 1973 is set out in the table:

£ million

	Gross contribution	*Receipts other than refunds*	*Refunds*	*Net total*
From 1 January 1973 to 31 December 1984	17,895	9,325	3,145	5,425

£1,773 million of total United Kingdom receipts were in respect of subsidy payments to farmers and traders to facilitate the export of food to third countries at world prices.

Mr. Teddy Taylor asked the Chancellor of the Exchequer what estimate he has made of the percentage increase in the overall spending of the Common Market which will take place if the VAT element in its income is increased from 1 to 1·4 per cent.

Mr. Ian Stewart [*pursuant to his reply*, 20 June 1985, c. *222-23*]: Increases in the overall spending of the Community from year to year will depend on the decisions taken by the Community's budgetary authority. In the case of the Council of Ministers, these decisions will be taken in accordance with the agreed arrangements on budget discipline. The potential increase in the Community's income, measured against own resources available at present and disregarding the supplementary finance provided in 1984 and 1985 through the inter-governmental agreements will amount to some 15 to 20 per cent., depending on the size of the United Kingdom's abatements.

Mr. Teddy Taylor asked the Chancellor of the Exchequer what estimate he has made of the increase in the United Kingdom gross contribution to the EEC consequent on the proposal to increase the VAT contribution from 1 to 1·4 per cent.

Mr. Ian Stewart [*pursuant to his reply*, 20 June 1985, c. *222-23*]: Because of the Fontainebleau abatement system, the United Kingdom's VAT rate, post-abatement, is likely to be less than 1 per cent. whatever the VAT rate within the 1·4 per cent. ceiling in other member states. Thus, the Fontainebleau measures, involving both the increase in the VAT ceiling to 1·4 per cent. and the introduction of arrangements for abating the United Kingdom's VAT contribution, will not of themselves lead to any increase in the United Kingdom's gross contribution.

Mr. Marlow asked the Chancellor of the Exchequer if he will set out the projected net value added tax percentage contribution to the European Economic Community for 1985 and for each of the last four calender years accordingly to *(a)* the value added tax share contribution and *(b)* the previous formula.

Mr. Ian Stewart [*pursuant to his reply*, 20 June 1985, c. *222*]: The figures requested cannot form the basis of a valid comparison, since the Fontainebleau formula applies only to 1985 and subsequent years, and before that there has been no established formula for refunding or abating the United Kingdom's excess contributions.

Mr. Marlow asked the Chancellor of the Exchequer if he will set out the effective value added tax percentage rate paid into the European Economic Community budget net of rebates corresponding to that year for each of the last four calendar years.

Mr. Ian Stewart [*pursuant to his reply*, 20 June 1985, c. *222*]: The table sets out the information requested for the years 1981 to 1984. For each year the table shows the United Kingdom's actual VAT rebate as it would have been reduced by the amount of the net refund paid in respect of that year in the following year.

	Effective VAT percentage rate
1981	*0·13
1982	0·55
1983	0·74
1984	†0·66

* This figure reflects the Commission's overestimate of the United Kingdom's net contribution for 1981 and a correspondingly high rebate.

† The VAT rate shown for 1984 does not reflect the supplementary contribution made by the United Kingdom under the 1984 intergovernmental agreement; allowance for that contribution would imply a higher effective VAT rate for 1984.

The figures shown do not provide a valid basis for comparison between the application of the Fontainebleau abatement system and the ad hoc refunds paid in the earlier years shown. The latter were not calculated according to a percentage formula and were falling in amount between 1981 and 1983.

SOCIAL SERVICES

State Earnings-related Pension Scheme

Mrs. Beckett asked the Secretary of State for Social Services if he will now publish for the period up to 2035 the estimates for gross domestic product which were based on the assumptions about earnings and prices used in assessing the cost of the state earnings-related pension scheme for that period.

Mr. Newton: I refer the hon. Member to my reply to the hon. Member for Great Grimsby (Mr. Mitchell) on 21 June at columns *249-50*.

Skoal Bandits

Mr. MacKenzie asked the Secretary of State for Social Services what discussions Her Majesty's Government have had with the manufacturers of Skoal Bandits; what is the policy of Her Majesty's Government towards the marketing of this product in the United Kingdom; and if he will make a statement.

Mr. John Patten: Discussions have taken place about the manufacture and promotion of this product in the United Kingdom, and the company has agreed to undertake further independent research to establish the extent of health hazards associated with it.

Single Payments (Sheffield)

Mr. Caborn asked the Secretary of State for Social Services what is the average waiting time for claimants requesting single payments applications to be processed in the Sheffield area; how many applications are outstanding in Sheffield over the 14 day limit currently; and what is the average waiting time for processing of single payments applications throughout all regions.

Mr. Whitney: Sheffield area is served by four of the Department's offices and the average time taken by those offices to process a claim for a single payment is four weeks. At 18 June there were 2,148 claims for single payments outstanding in those offices for 14 or more days.

Information on the average time taken to process single payments in all regions could be obtained only at disproportionate cost.

Supplementary Benefit

Mr. Squire asked the Secretary of State for Social Services what was the total number of claimants of supplementary benefit in February 1985.

Mr. Whitney: I regret that the information requested is not available. The latest information available is 4·6 million in August 1984.

Source: Local office quarterly statistical inquiry August 1984.

Ambulance Services

Mr. Dobson asked the Secretary of State for Social Services, pursuant to his answer of 1 May, *Official Report*, column *176*, to what factors he attributes the decline in the use of ambulance services by non-NHS patients since 1975.

Mr. John Patten: Some of the reduction in the total of non-National Health Service patient journeys since 1975 is attributable to social services departments and educational departments making alternative transport arrangements, including the provision of their own transport. In addition, it seems likely that the increase in the number of private ambulance services and voluntary bodies transporting private patients has had an influence.

Mr. Dobson asked the Secretary of State for Social Services if he exercises any controls over the establishment, staffing and standards of private ambulance services; and if he will make a statement.

Mr. John Patten: No; it is for the customers and particularly their professional advisers to ensure that the service for which they are paying is able to provide the facilities and meet the standards required.

Health Authorities (Advice)

Mr. Dobson asked the Secretary of State for Social Services, pursuant to his answer of 1 May, *Official Report*, column *174*, if he will publish in the *Official Report* his advice to health authorities of 29 March.

Mr. Kenneth Clarke: The management instruction to health authorities referred to was not issued in written form. On 25 March this year our officials, acting on ministerial instructions, telephoned all regional health authorities to ask them to tell all district health authorities the same day that no contract awarded in pursuance of our competitive tendering policy should be revoked or terminated without prior consultations with the region and the Department.

Private Patient Care

Mr. Dobson asked the Secretary of State for Social Services (1) in what circumstances private patient officers are designated in the National Health Service;

(2) what are the functions of private patient officers in the National Health Service;

(3) how many private patient officers are in post; and at what cost to the National Health Service;

(4) what is his Department's estimate of the annual extra administrative cost to the National Health Service due the private patients.

Mr. Kenneth Clarke: Private patient officers are designated in National Health Service hospitals where the treatment of private patients is authorised. Their duties are concerned with all non-clinical aspects of private patient activity, especially in relation to the implementation of control procedures for identifying private patients, recording admissions and attendances, and recovering charges. We do not record information on the number in post centrally, as it is for local management to make these appointments. We have made it clear that we regard failure to do so as a serious weakness that must be rectified. We do not specifically identify the extra cost of administering private patient business, but private patient charges take account of administration costs.

NHS (Private Patients)

Mr. Dobson asked the Secretary of State for Social Services by what percentage the average daily charge for use of a National Health Service pay bed and the average charge for private use of a National Health Service operating theatre have risen since 1979; and if he will express the increase *(a)* in gross terms, *(b)* after allowance for movement in the retail price index and *(c)* after allowing for movement in National Health Service pay and prices.

Mr. Kenneth Clarke: Charges for private patient pay beds are related to the class of hospital in which treatment is given. The percentages which follow are derived from averages covering all classes and take account of the relative use made by private patients in each class.

In money terms, pay beds charges increased by 101 per cent. and theatre charges by 80 per cent. over the period. Relative to movements in the RPI these represented increases of 32 and 18 per cent., respectively. I see no sensible purpose in using the other indicator for inflation suggested by the question.

Mr. Dobson asked the Secretary of State for Social Services if he will give for each region and for each year since 1979 the total amount health authorities have written off because of private patients not paying their bills.

Mr. Kenneth Clarke: We have not collected this information centrally, but we have arranged for it to be included in the annual accounts of health authorities from 1985-86.

Mr. Dobson asked the Secretary of State for Social Services if he will give for each region and for each year since 1979 the income from private patients in National Health Service hospitals *(a)* in gross terms, *(b)* revalued by the retail price index and *(c)* revalued by the National Health Service pay and prices index.

Mr. Kenneth Clarke: The gross figures and the figures revalued by the retail prices index are shown in the following tables. I see no sensible reason for revaluing the figures by the other indicator referred to.

Table 1.

Income from Private Patients: England
Gross Income

£ 000s

Region	*1979-80*	*1980-81*	*1981-82*	*1982-83*	*1983-84*
Northern	599	889	1,057	706	1,117
Yorkshire	1,852	2,363	2,954	2,313	3,118
Trent	1,427	1,919	2,023	1,975	1,861
East Anglian	1,177	1,604	2,053	1,686	1,909
N. W. Thames	5,862	7,016	7,946	6,623	6,505
N. E. Thames	4,257	5,448	6,395	9,338	9,169
S. E. Thames	4,644	6,149	6,906	6,678	6,791
S. W. Thames	1,983	2,454	2,889	2,870	2,986
Wessex	1,287	1,865	2,319	2,060	2,313
Oxford	2,185	2,700	2,993	2,863	3,071
South Western	985	1,400	1,656	1,577	1,842
West Midlands	2,214	3,002	3,560	2,682	3,321
Mersey	832	1,180	1,707	1,472	1,588
North Western	2,301	3,096	3,635	2,543	3,049
Total	31,605	41,095	48,093	45,386	48,640
Boards of Governors	4,298	5,288	6,070	6,095	6,815
Grand Total	35,903	46,383	54,163	51,481	55,455

Table 2.

Income from Private Patients: England
Gross Income Revalued by the Retail Price Index

£ 000s

Region	*1979-80*	*1980-81*	*1981-82*	*1982-83*	*1983-84*
Northern	871	1,110	1,184	738	1,117
Yorkshire	2,691	2,952	3,311	2,419	3,118
Trent	2,074	2,397	2,267	2,065	1,861
East Anglian	1,710	2,004	2,301	1,763	1,909
N. W. Thames	8,519	8,764	8,905	6,926	6,505
N. E. Thames	6,186	6,817	7,167	9,765	9,169
S. E. Thames	6,749	7,681	7,739	6,983	6,791
S. W. Thames	2,882	3,065	3,238	3,001	2,986
Wessex	1,870	2,329	2,599	2,154	2,313
Oxford	3,175	3,373	3,354	2,994	3,071
South Western	1,431	1,749	1,856	1,649	1,842
West Midlands	3,217	3,750	3,990	2,805	3,321
Mersey	1,209	1,474	1,913	1,539	1,588
North Western	3,344	3,867	4,074	2,659	3,049
Total	45,928	51,332	53,898	47,460	48,640
Boards of Governors	6,246	6,605	6,802	6,374	6,815
Grand Total	52,174	57,937	60,700	53,834	55,455

Blood

Mr. Dobson asked the Secretary of State for Social Services how many units of blood have been supplied by the national blood transfusion service to non-National Health Service hospitals in each year since 1970.

Mr. Kenneth Clarke: In 1982—the earliest year for which we have figures — regional blood transfusion centres (RTCs) in England and Wales issued 31,437 units of blood to non-NHS hospitals. The corresponding provisional figures for 1983 and 1984 are 40,786 and 49,391. We do not have information centrally on the number of units supplied to non-NHS hospitals through NHS hospital blood banks. Some of the apparent increase

is probably due to non-NHS hospitals increasingly obtaining their supplies direct from RTCs rather than through hospital blood banks.

NHS (Competitive Tendering)

Mr. Dobson asked the Secretary of State for Social Services if he will list the occasions on which his Department has sought to persuade health authorities to change their decisions following programmes of competitive tendering; and if he will state the consequence in each case.

Mr. Kenneth Clarke: We do not keep a central record of all our communications with health authorities about their decisions on competitive tendering programmes, and we could assemble the information requested only at disproportionate cost. We have intervened only when tendering programmes were unsatisfactory or when there were good reasons to believe that health authorities had taken or intended to take decisions which were not in the best interests of patients.

Mr. Dobson asked the Secretary of State for Social Services if he will name, for each tendering exercise of which his Department is aware and which was completed since the last named in his answer of 1 May, *Official Report*, columns *175-76*, the health authority, the hospital concerned and the successful tenderer.

Mr. Kenneth Clarke: We collect this information from the health service only quarterly. No returns have been due since my reply to the hon. Member on 1 May at columns *175-76*, and so I am unable to add to it.

Human Organs and Blood

Mr. Dobson asked the Secretary of State for Social Services if he will introduce legislation to make illegal the sale of human organs and blood.

Mr. John Patten: We are opposed to the sale of human organs for transplantation, which has been condemned by the International Transplantation Society, the British Transplantation Society and a Council of Europe resolution to which the United Kingdom is signatory; I understand that the General Medical Council has been asked to give further advice on the ethical issues involved. We are determined to find ways of stopping the practice and have already made it clear that we regard it as "improper and undesirable" in terms of the Registered Homes Act 1984 and that it could, therefore, be grounds for cancellation of registration of a private hospital where it took place. We are examining the possibility of special legislation, although there would be difficulties where financial transactions take place overseas, and it would be important not to inhibit legitimate operations which save lives.

We also oppose the sale of blood, but are not aware of any such practice in this country. The national blood transfusion service does not pay its donors, and blood is supplied to non-NHS hospitals only on condition that no profit is made.

NHS (Staff)

Mr. Dobson asked the Secretary of State for Social Services whether there are specific limitations in force over administrative manpower in the National Health Service.

Mr. John Patten: No. We have asked health authorities to examine critically the level of administrative and clerical staff and as a result we expect reductions to be made.

Mr. Maxton asked the Secretary of State for Social Services (1) how many medical laboratory scientific officers are employed by the National Health Service in England;

(2) how many principal medical laboratory scientific officers are employed by the National Health Service in England.

Mr. John Patten: At 30 September 1983 there were 14,718 (whole-time equivalent) medical laboratory scientific officers employed in the National Health Service in England. Of these, 89 were principal medical laboratory scientific officers.

Mr. Maxton asked the Secretary of State for Social Services how many physicists, biochemists and clinical psychologists are employed by the National Health Service in England; and, of each group, how many are in the top grade.

Mr. John Patten: Staff in post in England at 30 September 1983 (whole-time equivalent) were as follows:

	Total	**Top grade staff*
Physicists	662	44
Biochemists	1,289	82
Clinical Psychologists	1,307	72

* included in total.

Private Nursing Homes

Mr. Dobson asked the Secretary of State for Social Services if he will give, for each year since 1970, the total amount of public money going into private nursing homes through *(a)* the social security system, *(b)* health authority contractual arrangements and *(c)* any other sources, giving estimates where necessary.

Mr. Kenneth Clarke: Information in the form requested is not available.

Human Organs

Mr. Dobson asked the Secretary of State for Social Services what controls or monitoring his Department exercises over the origins of human organs imported into the United Kingdom.

Mr. John Patten: The United Kingdom transplant service (UKTS) participates in a number of international schemes for the exchange of cadaver kidneys for transplantation, principally in order to meet the needs of the small number of NHS patients who are able to receive only an almost identically matched kidney or who are of a rare blood group. A number of cadaver kidneys are also imported from the United States for transplantation into private patients; private hospitals are not obliged to make importation arrangements through UKTS, bu do so in most cases. All foreign agencies involved in these exchanges are reputable non-profit-making organisations. Some cadaver hearts and livers are also imported for transplantation in NHS hospitals, and arrangements may be made either through UKTS or directly between the medical staff of the donor and recipient hospitals. UKTS

maintains full information on the origins of all organs for which it makes the importation arrangements and we would expect similar information to be maintained in every instance by the recipient hospital.

Drug Addicts

Mr. Corbett asked the Secretary of State for Social Services what National Health Service facilities are available in each of the Birmingham health authority districts for the treatment of drug addicts.

Mr. John Patten: The regional addiction unit at All Saints' hospital, West Birmingham, provides in patient and out patient facilities for the treatment of drug misusers from all the Birmingham districts. Drug misusers may also be seen by primary health care teams or the general psychiatric services. Information on service provision and plans for its expansion is set out in the report "Drug Misuse: Prevalence and Service Provision," copies of which have been placed in the Library.

Limited List Prescribing

Mr. Latham asked the Secretary of State for Social Services (1) whether he will reinstate soluble paracetamol tablets on the limited list in the interests of patients who need a soluble preparation but who experience peptic problems from aspirin, even in soluble form;

(2) whether he will reinstate frisium capsules on the limited list in the interests of patients with mild anxiety states who do not require a heavy sedative and who need to drive a car.

Mr. Kenneth Clarke: We will shortly be setting up the committee that will review and maintain the selected list. The committee will be free to consider the clinical need for these or any other drugs. All benzodiapine sedatives and tranquillisers can affect driving ability and should carry warning labels pointing this out.

Hardship Hearings

Mr. Meacher asked the Secretary of State for Social Services what was the total number and average cost of hardship hearings during each of the past three years.

Mr. Whitney: I shall let the hon. Member have a reply as soon as possible.

Tooth Decay

Lord James Douglas-Hamilton asked the Secretary of State for Social Services (1) what was the percentage proportion of children of different ages with known tooth decay in England and Wales over each of the last five years;

(2) what was the average number of teeth with known tooth decay experienced by children in England and Wales over each of the last five years.

Mr. Kenneth Clarke: I shall let my hon. Friend have a reply as soon as possible.

NHS Buildings (Murals)

Mr. Sedgemore asked the Secretary of State for Social Services (1) if he will bring forward plans to encourage the painting of murals in hospitals and other National Health Service buildings;

(2) if he will bring forward plans to preserve existing murals in hospitals and other National Health Service buildings;

(3) if he will bring forward legislation prohibiting the further destruction by district health authorities in paintings on National Health Service property which contain nudes;

(4) if he will issue guidelines to district health authorities calling on them to consult the Minister for the Arts before they consider destroying paintings.

Mr. John Patten: We recognise the value of murals and other works of art in contributing to the internal environment of hospitals and other health buildings. The Department organised a conference at the King's Fund Centre in 1983 and has subsequently produced two publications, "Art in the NHS" and "The Arts in a Health District." I am placing copies of these in the Library. Decisions to display or to remove works of art are properly a matter for individual regional and district health authorities. Legislation would be quite inappropriate.

Mr. Sedgemore asked the Secretary of State for Social Services what was the cost to the National Health Service of the painting by the artist John Hewett of a nude Grecian mural at St. Bartholomew's hospital and its subsequent destruction by whitewash.

Mr. John Patten: We do not collect this sort of information about local matters. The hon. Member may wish to approach City and Hackney health authority for this information.

Unpasteurised Milk

Mr. Freud asked the Secretary of State for Social Services if he will list the number of cases of sickness resulting from the consumption of unpasteurised milk in each of the last five years.

Mr. John Patten: The numbers of cases of sickness in England and Wales which were reported to the communicable diseases surveillance centre and attributed to the consumption of unpasteurised milk were:

	Number
1980	210
1981	294
1982	*1,012
1983	283
1984	403

* includes approximately 400 cases resulting from a failure in the pasteurisation process.

Housing Benefit

Dr. McDonald asked the Secretary of State for Social Services if he will provide the latest available estimates of the total numbers of recipients of standard housing benefits, divided between rate assistance and rent assistance; how many in each category have income above and below the needs allowance; if he will give the current year and full year estimates of the expenditure saving due to the increase in the rate taper to 13p and estimate the number of claimants who will be adversely affected by the taper increase without taking account of the increase in the child needs allowance; how many of these losers will lose

eligibility to rate rebates altogether; and if he will as far as possible break the above estimates down as between pensioners, working householders and others.

Mr. Newton: I shall let the hon. Member have a reply as soon as possible.

Mr. Gordon Brown asked the Secretary of State for Social Services if he will provide his best estimates of the number of Scottish households, including the number of pensioners, who will lose *(a)* up to £1, *(b)* between £1 and £2 and *(c)* £3 and more in rates help as a result of the proposed changes in the rates taper; and how many households will lose housing benefit altogether.

Mr. Newton: Breakdowns of the estimates of the effects of the proposed increase in the housing benefit rates taper above the needs allowance and the real improvement in the dependent child addition to the needs allowance this November, are not available separately for Scottish households. It is estimated that 460,000 households in Great Britain will no longer receive rate rebate from November following these changes.

Mr. Gordon Brown asked the Secretary of State for Social Services if he will make a statement as to the date by which he expects to have achieved savings of £500 million in housing benefit.

Mr. Newton: The figure of £500 million indicates the order of magnitude of the amount by which we think it reasonable, over a period, to reduce housing benefit expenditure compared with likely expenditure under existing entitlement rules.

Chemists

Mrs. Renée Short asked the Secretary of State for Social Services to what extent pharmacists were represented in the negotiations which he has had with the pharmaceutical services negotiating committee about the future of high street chemists.

Mr. Kenneth Clarke: Successive Governments and the pharmacist profession have for many years recognised the pharmaceutical services negotiating committee as the body representative of all pharmacies in contract with the National Health Service.

The committee's constitution provides for 25 registered pharmacists engaged in part II pharmaceutical services made up as follows:

Fourteen chemist contractors elected from each NHS region in England.

One chemist contractor elected from Wales.

Five chemist contractors nominated by the board of management of the National Pharmaceutical Association.

Four registered pharmacists nominated by the Company Chemists Association.

One registered pharmacist nominated by the Co-operative Wholesale Society.

The negotiations were therefore conducted with the representatives of all pharmacy contractors both large and small.

Pensions

Mrs. Renée Short asked the Secretary of State for Social Services what representations he has received advocating increasing the level of weekly pension payments to single pensioners and pensioner couples in line with prices and inflation rather than with earnings during the next two financial years.

Mr. Whitney: None.

Family Credit Allowance

Mr. Freud asked the Secretary of State for Social Services what factors he will take into account when deciding on the mechanism for calculating the sum in the proposed family credit allowance to cover the cost of school meals.

Mr. Newton: I refer the hon. Member to my reply to him on 17 June at columns *42-43*. If he has views on the factors which he considers ought to be taken into account in calculating the relevant sum, we are very willing to consider them.

Benefits

Mr. Gordon Brown asked the Secretary of State for Social Services if he will list the savings he estimates he will achieve in a full year based in current benefit levels from *(a)* withdrawing central heating additions, *(b)* changing the rates taper for housing benefit and *(c)* uprating child benefit by less than the inflation rate; and how he calculates his figures for total savings from the uprating statement.

Mr. Newton: The savings for a full year (1986-87) are as follows:

	£ million
Uprating child benefit to £7 (compared with 7 per cent. uprating)	175
Ending new awards of central heating additions	38
Increasing rates taper for housing benefit	57
Total	270

Offsetting costs, from the real improvement in family income supplement, the extension of automatic heating additions to sick and disabled householders on the long-term rate of supplementary benefit, and the real increase in the housing benefit children's needs allowance, reduce the total savings to about £250 million.

Widow's Allowance

Mr. Brown asked the Secretary of State for Social Services if it remains his policy to preserve the real value of the widow's allowance.

Mr. Newton: Under section 125 of the Social Security Act 1975 the Secretary of State has a duty to uprate widow's allowance annually in line with the rise in prices. The Government stand by their pledge to protect widow's allowance — along with retirement pension and linked long-term benefits—against inflation.

Adoption

Mr. Frank Field asked the Secretary of State for Social Services what is the number of applications made since May 1984 to free a child for adoption, under section 14 of the Children Act 1975; what is the number of freeing orders granted; and what is the number of applications where parents withheld their consent.

Mr. John Patten: The information requested is not yet available.

Drug Rehabilitation Centres (East Berkshire)

Mr. Tony Banks asked the Secretary of State for Social Services if he has received any applications for grants from drug rehabilitation centres in east Berkshire.

Mr. John Patten: No.

Drug Abuse (East Berkshire)

Mr. Tony Banks asked the Secretary of State for Social Services how many patients have been admitted to hospitals in the east Berkshire health authority area, suffering from drug abuse or drug-related problems for those people aged *(a)* under 25 years, *(b)* 25 to 45 years and *(c)* over 45 years in each of the last five years.

Mr. John Patten: I shall let the hon. Member have a reply as soon as possible.

Drug Abuse (Slough)

Mr. Tony Banks asked the Secretary of State for Social Services if he has received any representations from voluntary groups in Slough regarding drug and solvent abuse among young people.

Mr. John Patten: No.

Benefits (Slough)

Mr. Tony Banks asked the Secretary of State for Social Services how many people under the age of 30 years are in receipt of supplementary benefit in the Slough travel-to-work area.

Mr. Whitney: I regret that the information requested is not available.

Mr. Tony Banks asked the Secretary of State for Social Services how many people in Slough have been in receipt of *(a)* housing benefit, *(b)* sickness benefit, *(c)* invalidity benefit and *(d)* family income supplement for each of the last three years.

Mr. Whitney: I regret that information relating to sickness benefit, invalidity benefit and family income supplement is not available for the Slough area. Information based on Slough borough council's housing benefit subsidy claims indicates that the number of rate rebate recipients are as follows:

	Number
1983-84	10,800
1984-85	11,200
1985-86	9,850

Mentally Handicapped Persons

Mr. Tony Lloyd asked the Secretary of State for Social Services if he will list by regional health authority the amount of funding which is transferred from one health district to another when a mentally handicapped person is transferred from hospital into the community; and if he will make a statement.

Mr. Kenneth Clarke: We do not expect funds to transfer when responsibility for services for mentally handicapped people transfers from one authority to another. However, detailed arrangements for funding transfers from hospitals to the community and actual amounts are a matter for regional health authorities to determine in consultation with their districts. Arrangements vary to suit local circumstances and we do not collect full details centrally.

Alcohol Misuse.

Mr. Dobson asked the Secretary of State for Social Services, pursuant to the answer of 18 June, *Official Report*, column *117*, relating to expenditure on activity concerning alcohol misuse, if he will indicate the basis upon which the figure of £400,000 for 1985-86 has been calculated; how this compares with the basis used for calculating the figures in the table of expenditure for the years 1979-80 to 1984-85; and if he will indicate the price base used for each set of figures.

Mr. John Patten: As requested, the figure of £400,000 was expressed at 1985 pay and price levels and the figures for the previous years were actual expenditures. Converted to 1985 pay and price levels they are:

	£
1979-80	37,436
1980-81	286,223
1981-82	236,081
1982-83	298,339
1983-84	335,375
1984-85	203,561

Redundant Workers

Mr. Hardy asked the Secretary of State for Social Services (1) if he will withdraw the regulations which require that unemployment benefit shall be refused to any applicant who has accepted redundancy as part of a national industrial arrangement;

(2) if unemployment benefit will be paid to miners who have accepted redundancy under the terms of the national arrangements in the coal industry.

Mr. Allen McKay asked the Secretary of State for Social Services what recent instructions have been issued to unemployment benefit offices regarding the eligibility for unemployment benefit of workers who accept voluntary redundancy; and if he will make a statement.

Mr. Gordon Brown asked the Secretary of State for Social Services if he will make a statement on his policy towards the payment of full unemployment benefit, including for the first six weeks, to redundant miners.

Mr. Newton [*pursuant to his replies*, 20 June 1985, c. *198* and 21 June 1985, c. *255*]: Section 20(1)*(a)* of the Social Security Act 1975 provides that a person shall be disqualified for receiving unemployment benefit for a period not exceeding six weeks if he has voluntarily left his employment without just cause. Decisions on individual claims are a matter for the independent adjudicating authorities and adjudication officers apply the statute law and case law in the light of advice and guidance given by the Chief Adjudication Officer. The latter has recently issued new guidance, based on case law, to the effect that those who have volunteered for redundancy should be considered to have left their employment voluntarily, and should not generally, in the absence of other pressing circumstances, be held to have shown just cause, so that disqualification under section 20(1)*(a)* should be considered.

We have given careful and urgent consideration to this new guidance on the interpretation of section 20(1)*(a)* and have concluded that the section should be amended to maintain our policy that those who are redundant should not be regarded as having left employment voluntarily, even though they may have volunteered or agreed to be dismissed by reason of redundancy. My noble Friend has therefore tabled an appropriate new clause to the current Social Security Bill.

We are arranging for extra-statutory payments to be made to any claimant who loses benefit for this reason before the Bill is enacted.

Breast Cancer

Mr. Cohen asked the Secretary of State for Social Services if he will estimate the incidence and trend of breast cancer in women; and if he will make a statement.

Mr. Kenneth Clarke [*pursuant to his reply*, 11 June 1985, c. *437-38*]: The figures should have read as follows:

There were 13,277 deaths (520·27 per million female population) from breast cancer in England and Wales in 1984, and 21,164 (830·80 per million female population) registrations reported to cancer registries in 1981.

Written Answers to Questions

Tuesday 25th June 1985

PRIME MINISTER

Israeli Prime Minister (Visit)

Q28. **Mr. Latham** asked the Prime Minister what progress has been made in fixing a date for an official visit to the United Kingdom by the Prime Minister of Israel, Mr. Shimon Peres.

The Prime Minister: As I said in my reply of 22 January 1985, at columns 371-72 to my hon. Friend the Member for Leicester, East (Mr. Bruinvels), the Israeli Prime Minister has accepted an invitation to pay an official visit to Britain. Dates are now being considered, and an announcement will be made at the appropriate time.

General Belgrano

Q92. **Mr. Dalyell** asked the Prime Minister when she first learnt to whom the oiler accompanying the General Belgrano belonged.

The Prime Minister: So far as I can recall, in March 1984, as the hon. Member will no doubt recall, it is referred to in my letter to the right hon. Member for Llanelli (Mr. Davies) of 4 April 1984 published in the *Official Report* on 13 April at column 383.

European Union

Q108. **Mr. Teddy Taylor** asked the Prime Minister if the proposals on European Union are to be discussed at the Council of Ministers meeting at Milan; and if she will make a statement.

The Prime Minister: A number of proposals have been put forward. We believe the European Council will concentrate on practical proposals for reform, including the ideas we have put forward for completing the common market, strengthening political co-operation and improving the Community's decision-taking ability.

Engagements

Mr. Peter Bruinvels asked the Prime Minister if she will list her official engagements for Tuesday 25 June.

Mr. Leigh asked the Prime Minister if she will list her official engagements for Tuesday 25 June.

Mr. Tony Lloyd asked the Prime Minister if she will list her official engagements for Tuesday 25 June.

The Prime Minister: This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today. This evening I hope to have an audience of Her Majesty the Queen.

OVERSEAS DEVELOPMENT

Ethiopia and Sudan

Mr. Ottaway asked the Secretary of State for Foreign and Commonwealth Affairs what percentage of United Kingdom and European Community aid to Ethiopia and Sudan is dedicated to population control policies.

Mr. Raison: None of our bilateral aid to Ethiopia and the Sudan is directed at population related activities. Nor, we have been advised by the European Commission, is the European Community's aid to those countries. We do, however, provide financial assistance to the United Nations Fund for Population Activities and the International Planned Parenthood Federation, both of which have programmes in Ethiopia. The UNFPA also has a programme in the Sudan.

HOME DEPARTMENT

Evidential Breath Testing

Mr. Wheeler asked the Secretary of State for the Home Department when he will publish the report by the forensic science service on evidential breath testing; what conclusions he has reached on the basis of his consideration of the report; and whether he will make a statement.

Mr. Brittan: The Home Office forensic science report on the monitoring of the Lion intoximeter and Camic breath analyser evidential breath testing machines is being published today, together with a foreword by the independent scrutineer, Sir William Paton, and subsequent correspondence I have had with him. Copies have been placed in the Library.

It is clear in the light of this report that both types of instrument and their procedures are fundamentally acceptable in the sense of not placing subjects unjustly in jeopardy. We therefore intend to continue to use them as the principal means of assessing for evidential purposes whether a person's capacity to drive is impaired by alcohol to an extent which justifies criminal proceedings.

The report finds that a fault in the acetone detector in the Lion intoximeter leads to under-estimation of the level of alcohol in occasional cases. This fault may result in a motorist who is in fact over the legal limit escaping prosecution, but not to a motorist who is below the limit being prosecuted. The report also finds that in a few cases there were large differences between individual breath sample results within a pair of breath samples. Some of these large differences appeared to be associated with the malfunctioning of the acetone detector. We accept the report's recommendation that where this difference exceeds a prescribed amount a blood or urine test should be substituted.

We will make arrangements for the evidential breath testing instruments in use by the police to be modified to take account of both these findings.

The use of these machines enables many more drink-drive offenders to be dealt with quickly and the report makes it clear that the machines deserve public support, in the interests of road safety. Pending the findings of Sir William Paton's study, the blood-urine test has remained an option. The numbers of those who take this option have steadily declined and the latest figure available (March 1985) shows a take up rate of 16 per cent.

I think it right to allow the option to continue for a while longer, but I am not convinced that there is a long-term case for retaining it and I intend to review the position in 12 months time with a view to withdrawing the non-statutory option.

Prisoners (Injuries)

Mr. Leighton asked the Secretary of State for the Home Department how many people have sustained injuries whilst attending courts in the custody of prison officers during the last six months; and if he will make a statement.

Mr. Mellor: Where prisoners receive injuries in the course of incidents involving other prisoners or staff a report is submitted to prison department headquarters, which is followed up if any grounds for concern are revealed. Collation of statistics of the kind requested could be obtained only at disproportionate cost.

Thorp Arch Remand Centre

Mr. Batiste asked the Secretary of State for the Home Department what alternatives he considered for the future of Thorp Arch remand centre other than its conversion to a category C prison.

Mr. Mellor: Other options considered included the retention of Thorp Arch as a remand centre, its conversion to a youth custody centre and its conversion to an establishment for prisoners segregated for their own protection.

Car Tracking Devices

Mr. Cohen asked the Secretary of State for the Home Department (1) what is the policy of the Metropolitan police towards the use of car tracking devices; on how many occasions in each of the last three years such devices have been affixed by the police to cars they wish to put under surveillance; and if he will make a statement;

(2) if he will call for a report from the appropriate chief officer of police about the use of a car tracking device in investigations preceding the prosecution of Mr. Colin King, recently acquitted at the Old Bailey, as to what rank of officer authorised the use of the device in this case, his name, the basis on which use was authorised and as to the rank of the officer in the force concerned who usually authorises such surveillance activities; and if he will make a statement on the substance of the report.

Mr. Giles Shaw: I am assured by the Commissioner that the use of surveillance devices by the Metropolitan police is authorised strictly in accordance with the relevant Home Office guidelines. The current Home Office guidelines on the use of equipment in police surveillance operations were issued on 19 December 1984, replacing those issued in 1977. Copies of both documents are in the Library. Under both the 1977 and 1984 guidelines, the use of tracking equipment requires, in the Metropolitan police, the authority of an assistant commissioner, or, if used with the consent of the owner of the vehicle concerned, a deputy assistant commissioner or commander.

It would not be appropriate to give information about the use of surveillance devices in particular criminal investigations, nor, as I made clear when the 1984 guidelines were published on 19 December 1984, at columns 152-58, would it be in the interests of the prevention and detection of crime for detailed information to be made public on the scale of use of particular kinds of surveillance devices in criminal investigations.

Police National Computer (Vehicle Checks)

Mr. Cohen asked the Secretary of State for the Home Department what was the number of entries in the seen or checked in noteworthy circumstances sub-category of the stolen and suspect vehicle index of the police national computer at the beginning of the miners' strike of 1984; and what was the maximum number recorded in that sub-category during the period of the miners' strike.

Mr. Giles Shaw: The number of entries in the seen or checked in noteworthy circumstances sub-category of the stolen and suspect vehicle index of the police national computer at the beginning of the miners' dispute was 8,402. Over the period of the dispute the number of entries fluctuated between a low of 7,383 in August 1984 and a maximum of 12,285 in February 1985. It stood at 11,647 on 1 June 1985. Vehicles entered on this file are regularly weeded after 14 days.

Inquiries made of all police forces in December 1984 revealed that five forces had at some stage used the stolen and suspect vehicle index in connection with the miners' dispute, but at the time of the inquiries there were only 25 current entries.

Dog Fights (Leicestershire)

Mr. Peter Bruinvels asked the Secretary of State for the Home Department what was the number of *(a)* prosecutions and *(b)* convictions for offences relating to dog fights in Leicestershire for each of the last three years for which figures are available; and if he will make a statement.

Mr. Mellor: Information collected centrally does not distinguish offences relating to dog fights from other offences under the Protection of Animals Act 1911.

Savernake Forest (Police Activity)

Mr. Corbyn asked the Secretary of State for the Home Department if he will call for reports from the chief constable of Wiltshire as to how many police have been involved in police activity in Savernake Forest recently.

Mr. Giles Shaw: I would refer the hon. Member to the reply given to his questions on 24 June, at columns 286-87.

Immigration

Mr. Dubs asked the Secretary of State for the Home Department (1) how many applications for entry clearance from *(a)* wives and children and *(b)* husbands and fiancés were referred or deferred for enquiries at each post in the Indian sub-continent for each year since 1977;

(2) how many applications from *(a)* husbands and *(b)* fiancés have been (i) decided, (ii) granted and (iii) refused in the Indian sub-continent in each quarter of 1984; how many such applications in each category and for each quarter were refused (1) wholly and (2) partly because of the primary purpose rule; what was the refusal rate in each instance and what percentage of these refusals was (x) wholly and (y) partly on primary purpose grounds; and if he will publish this information for each post.

Mr. Mellor: I shall reply to the hon. Member as soon as possible.

Scrap Metal Dealers

Mr. Lord asked the Secretary of State for the Home Department how many people are convicted annually of offences under the Scrap Metal Dealers Act 1964.

Mr. Mellor: The information available to me, which may be incomplete, is given in the table:

Persons found guilty of offences under the Scrap Metal Dealers Act 1964

England and Wales Year	*Number of persons found guilty*
1979	48
1980	64
1981	42
1982	39
1983	28

Mr. Lord asked the Secretary of State for the Home Department if he will estimate the number of people who are now registered scrap metal dealers.

Mr. Butcher: I have been asked to reply.
I regret the information is not available.

Closed Circuit Television Cameras

Mr. Chris Smith asked the Secretary of State for the Home Department how many closed circuit television cameras the Metropolitan police have for the surveillance of people in public places; how many of these are permanently fixed; where each one is located; how many of the overall total are located within the Lambeth District; how many of the Lambeth cameras are permanently fixed; and where each of them is sited.

Mr. Giles Shaw [*pursuant to his reply*, 12 June 1985, c. *449*]: I understand from the Commissioner of Police of the Metropolis that, in addition to closed circuit television equipment used to protect buildings, and for criminal investigation purposes, the Metropolitan police have six permanently sited closed circuit television cameras which are used to assist in the operational control of public order events and to monitor traffic. These are located in Whitehall, Parliament square, Trafalgar square, Hyde Park corner, Marble Arch and Oxford Circus. There are also 10 mobile cameras held centrally for temporary use in public order events throughout the Metropolitan police district as required.

In addition the metropolitan police have access to 63 fixed cameras at various locations belonging to the Greater London council which they use for monitoring and regulating traffic. Three of these are situated in the Lambeth police district at the junctions between Lambeth road and Albert embankment, Vauxhall bridge and Albert embankment and Baylis road and Westminster Bridge road.

TRADE AND INDUSTRY

Mr. C. Roberts (Speech)

Mr. Caborn asked the Secretary of State for Trade and Industry if he will arrange for the text of the speech made by Mr. C. Roberts of the British Overseas Trade Board to the British South African Trade Association in Cape Town in March 1985 to be placed in the Library.

Mr. Channon: I have already done so. Mr. Roberts is an official of the Department of Trade and Industry and his speech was approved in advance by Ministers.

Amaro Ltd.

Mr. Dickens asked the Secretary of State for Trade and Industry when Amaro Ltd. of Horsham, West Sussex, last deposited its accounts at Companies House; and for how long the company has been registered in England as No. 189 1900.

Mr. Fletcher: Amaro Ltd. was incorporated on 4 March 1985. No accounts have been delivered, nor are they yet due.

Limited Companies

Mr. Dickens asked the Secretary of State for Trade and Industry if he is satisfied with the structure and safeguards for the public, in the formation of limited companies in the United Kingdom where directors and nominated shareholders are resident overseas and subject to a different legal framework; and if he will make a statement.

Mr. Fletcher: I shall reply to my hon. Friend as soon as possible.

Scrap Metal

Mr. Lord asked the Secretary of State for Trade and Industry how many collection sites for scrap metal are presently being used nationwide.

Mr. Butcher: I regret that this information is not available.

Mr. Lord asked the Secretary of State for Trade and Industry if he will estimate the value of the scrap metal brought into collection sites annually.

Mr. Butcher: The value of scrap metal purchased by merchants in 1984 is estimated by the British Scrap Federation to be £600 million.

Silver Plate (Exports)

Mr. Caborn asked the Secretary of State for Trade and Industry if he will give the amount of imports to the United Kingdom from EEC countries for electro nickel plated silver for the last five years for which figures are available; and whether there are any restrictions on exports of electro nickel plated silver from the United Kingdom to EEC countries.

Mr. Fletcher: I shall reply to the hon. Member as soon as possible.

EDUCATION AND SCIENCE

School Buildings

16. **Mr. Alton** asked the Secretary of State for Education and Science whether he is satisfied that local education authorities have sufficient resources to renovate and maintain school buildings.

Sir Keith Joseph: I should like to see an improvement by many local education authorities in their level of

expenditure on the repair and maintenance of school buildings. If costs are contained and savings made elsewhere there should be scope in the current financial year for some improvement in expenditure per pupil in many authorities on reapirs and maintenance.

Remuneration of Teachers Act

17. **Mr. Baldry** asked the Secretary of State for Education and Science if he will seek to repeal the Remuneration of Teachers Act.

Sir Keith Joseph: I am prepared to listen to the arguments for change and that is why I met representatives of the local authority associations at their request in March. At that meeting they made plain their dissatisfaction with the present machinery and I repeated my readiness to consider the case for a change. I now await the submission of a written case; before coming to a firm view on the matter I would want to be satisfied that any new arrangements would offer the prospect of being a real improvement on the present ones. The Scots have different machinery yet very similar problems.

School Meals

18. **Mr. Meadowcroft** asked the Secretary of State for Education and Science how many school children are now in receipt of free meals at school compared to 1978-79.

Mr. Dunn: In October 1984, which is the latest date for which figures are available, 1,147,886 children in England were receiving free school meals on the day of the school meals census. The figure for October 1978 census was 1,074,066.

St. Aidan's School, Bamber Bridge

19. **Mr. Robert Atkins** asked the Secretary of State for Education and Science when he expects to make a decision on the future of St. Aidan's Church of England primary school in Bamber Bridge.

Mr. Dunn: My hon. Friend will by now have received my letter to him explaining that my right hon. Friend has decided that he cannot grant the order requested by Lancashire to transfer this school to a new site.

Hay Fever

20. **Mr. Thurnham** asked the Secretary of State for Education and Science what representations he has received recently about the effects of hay fever on children taking examinations.

Mr. Dunn: Two parents of examination candidates have written to the Department about this in recent weeks.

Higher Education

21. **Mr. Foster** asked the Secretary of State for Education and Science what representations he has received on the Green Paper, "The Development of Higher Education into the 1990s".

28. **Mr. Nicholls** asked the Secretary of State for Education and Science what representations he has received following publication of the Green Paper on higher education; and if he will make a statement.

30. **Dr. McDonald** asked the Secretary of State for Education and Science what response he has received from the universities about his Green Paper on higher education.

32. **Mr. Fisher** asked the Secretary of State for Education and Science what representations he has received on the Green Paper, "The Development of Higher Education into the 1990s, Cmnd. 9524".

48. **Mr. Stan Thorne** asked the Secretary of State for Education and Science what representations he has received on the Green Paper, "The Development of Higher Education into the 1990s".

51. **Mr. Fatchett** asked the Secretary of State for Education and Science what recent representations he has received on the Green Paper, "The Development of Higher Education into the 1990s".

Mr. Pike asked the Secretary of State for Education and Science what representations he has received on the Green Paper, "The Development of Higher Education into the 1990s".

Mr. Brooke: My right hon. Friend is beginning to receive representations on the issues raised in Cmnd. 9524. Such representations will be taken into account in the further formulation of policy for the future development of higher education: the Government hope to be able to make a further statement of their intentions in 1986.

Local Authority Expenditure

22. **Mr. Jim Callaghan** asked the Secretary of State for Education and Science if he will make a statement about Her Majesty's Inspector's report, "Local Authority Expenditure Policies on Education Provision in England—1984".

27. **Mr. Madden** asked the Secretary of State for Education and Science if he will make a statement about Her Majesty's Inspectors' report, "Local Authority Expenditure Policies on Education Provision in England—1984".

37. **Mr. Boyes** asked the Secretary of State for Education and Science if he will make a statement about Her Majesty's Inspectors' report, "Local Authority Expenditure Policies on Education Provision in England—1984".

49. **Mr. Dubs** asked the Secretary of State for Education and Science if he will make a statement about Her Majesty's Inspectors' report, "Local Authority Expenditure Policies on Education Provision in England—1984".

Sir Keith Jospeh: I refer the hon. Members to the answer I gave earlier today to the hon. Member for Manchester, Blackley (Mr. Eastham).

Teachers (Dispute)

23. **Mr. Simon Hughes** asked the Secretary of State for Education and Science when he next plans to meet representatives of the Association of County Councils to discuss the teachers' pay dispute.

Sir Keith Joseph: I shall be meeting representatives of the Association with an observer from the Association of

Metropolitan Authorities on 1 July 1985. This will complement a meeting which I held with representatives of the Association of Metropolitan Authorities which an observer from the Association of County Councils.

24. **Mr. Campbell-Savours** asked the Secretary of State for Education and Science whether he will make a statement on the current position in the teachers' pay dispute.

44. **Mr. Latham** asked the Secretary of State for Education and Science if he will make a statement on the teachers' dispute.

56. **Mr. Spencer** asked the Secretary of State for Education and Science if he will make a statement on the current situation in the teachers' strike.

58. **Mrs. Clwyd** asked the Secretary of State for Education and Science what steps he is taking to resolve the teachers' pay dispute.

Sir Keith Joseph: I refer the hon. Members to the answer I gave earlier today to my hon. Friends the Members for Harborough (Sir J. Farr), for Wokingham (Sir van Straubenezee), and for Christchurch (Mr. Adley), the hon. Member for Greenwich (Mr. Barnet) and my hon. Friend the Member for Billericay (Mr. Proctor).

41. **Mr. Roy Hughes** asked the Secretary of State for Education and Science if he will now initiate discussions with the trade unions concerned to seek to resolve the teachers' dispute.

Sir Keith Joseph: I offered to meet the teacher unions along with the employers on 9 May, to discuss pay matters. In the event the unions did not attend. I have also made clear my willingness to discuss with them my 21 May letter to employers about the possibility of additional funding for next year. So far only the Secondary Heads Association has indicated a wish to meet on that basis. The union majority instead pursues an unrealistic claim for a 1985 settlement.

50. **Mr. Flannery** asked the Secretary of State for Education and Science, if he will make more funds available to end the industrial dispute of the teachers.

Sir Keith Joseph: I undertook last July to seek extra resources for an acceptable and affordable reform of the teachers' salary structure, the clearer definition of teachers' duties and responsibilities and the introduction of performance appraisal. But no agreed proposals have come forward and teachers' pay for 1985-86 must be accommodated within the resources available to local education authorities. Last month I made public that additional resources would be available for teachers' pay next year if agreement in principle can be reached by October on a reform of the current pay system designed to help achieve the Government's educational objectives and to provide improved promotion opportunities for good teachers.

Mathematics

25. **Mr. Gerald Howarth** asked the Secretary of State for Education and Science if he will make a statement on the teaching of mathematics in schools.

Mr. Dunn: The Government are continuing to encourage improvements in mathematics education in schools in line with the recommendations of the Cockcroft committee. Developments at the local level will be encouraged by the appointment from September of this year of some 350 advisory staff funded through education support grant.

National Union of Teachers

26. **Mr. Ashley** asked the Secretary of State for Education and Science when he last met the general secretary of the National Union of Teachers; and what was discussed.

Sir Keith Joseph: I last met the general secretary of the National Union of Teachers on 21 January 1985 to discuss teacher appraisal.

Science and Mathematics Teachers

29. **Mr. Heathcoat-Amory** asked the Secretary of State for Education and Science if there is still a shortage of suitably qualified science and mathematics teachers.

Mr. Dunn: There continues to be a shortage of teachers who are qualified to teach mathematics and the physical sciences and available for employment in maintained schools. The Government's plans for initial teacher training provide for an expansion in places for secondary training in these subjects to help meet the projected demands of schools into the next decade. We would also like to see more students with a background in mathematics and science entering primary teaching.

Teacher Training (Plymouth)

31. **Mr. Hicks** asked the Secretary of State for Education and Science how many representations he has received expressing concern about the proposals to terminate initial teacher training at the College of St. Mark and St. John, Plymouth; and if he will make a statement.

Mr. Brooke: My right hon. Friend has received some 80 representations concerning the proposal currently under consideration by the National Advisory Body for Public Sector Higher Education regarding the future of initial teacher training at the college of St. Mark and St. John, Plymouth. I cannot anticipate what advice the NAB will submit on the distribution of initial teacher training intakes between public sector institutions from 1986, but in reaching decisions my right hon. Friend will wish to give careful consideration to the representations made to him concerning individual institutions.

School Leaving Age

33. **Mr. Holt** asked the Secretary of State for Education and Science what plans he has to review the school leaving age.

52. **Mr. Cyril Smith** asked the Secretary of State for Education and Science whether he has any plans to alter the statutory school leaving age.

Mr. Dunn: My right hon. Friend has no such plans.

Drugs

34. **Mr. Loyden** asked the Secretary of State for Education and Science what steps he intends to take to tackle the educational aspects of the problem of drugs in schools.

Mr. Dunn: My right hon. Friend has announced a number of relevant measures in recent months.

—the Department has prepared a booklet of general advice on the question of the misuse of drugs for the use of teachers and others in the education service. This will be distributed through local education authorities in the near future;

—among other projects in this field, the Department has commissioned, through the agency of the Health Education Council, the preparation of a range of curricular and teaching materials which will be of use to educational planners, teachers and those concerned with teacher training;

—drug misuse has been identified as an area for attention with the Education Support Grant programme for 1986-87 and grant to support activities costing up to £2 million will be available for the appointment of staff by local education authorities to promote and co-ordinate local programmes of action aimed at drug misuse. The funding available will be sufficient to enable each local education authority to take action along these lines.

Student Grants

35. **Mr. Andrew F. Bennett** asked the Secretary of State for Education and Science if he will make a statement about the representations he has had about the level of student grants.

Mr. Brooke: The Department has received just under 12,000 representations about the level of grants for 1985-86.

Open University

36. **Mr. Kirkwood** asked the Secretary of State for Education and Science what steps he proposes to take to reduce the waiting lists for Open University places.

Sir Keith Joseph: The Open University is responsible for determining the number of students it admits. Its broad policy is to accept new students in order of application. Students who cannot be offered a place in one year are offered places in the next. No student has to wait more than one year to be admitted.

Student Maintenance Grant

38. **Mr. Alex Carlile** asked the Secretary of State for Education and Science what has been the change in real terms of the student maintenance grant between 1978-79 and 1985-86.

Mr. Brooke: The information for 1985-86 is not yet available. Such calculations are based on the retail price index at September of the year of entry. The rate of grant in 1984-85 was worth 91 per cent. of its 1978-79 level.

Textile Industry

39. **Mr. Lawler** asked the Secretary of State for Education and Science what information he has on the number of higher and further education establishments which run courses related to the textile industry.

Sir Keith Joseph: Twelve higher and further education establishments in England run courses in textile technology and related subjects. The courses range from degrees at universities and polytechnics to craft level and YTS courses in technical colleges. Textile technology also forms an element of many art and design courses.

Agricultural and Food Research Council

40. **Mr. Maclennan** asked the Secretary of State for Education and Science when he last met the chairman of the Agricultural and Food Research Council; and what subjects were discussed.

Mr. Brooke: My right hon. Friend met the current chairman of the Agricultural and Food Research Council in November 1982 to discuss the implications of the advice of the advisory board for the research councils that the AFRC's share of the science budget should be reduced after 1983-84.

University Grants Committee

42. **Mr. Beith** asked the Secretary of State for Education and Science whether he has met the chairman of the University Grants Committee since the publication of the Green Paper on higher education.

Mr. Brooke: No.

Special Education Needs

43. **Mr. Bruce** asked the Secretary of State for Education and Science whether he is satisfied that the number of non-teaching assistants in schools is enough to enable sufficient children with special needs to be educated in normal schools.

Mr. Dunn: The responsibility for ensuring that a sufficient number of non-teaching assistants is employed in schools lies with local education authorities. My right hon. Friend has no evidence to suggest that local education authorities are failing to meet this responsibility. Statistics on non-teaching assistants are not collected centrally.

Education Act 1981

45. **Mr. Dormand** asked the Secretary of State for Education and Science whether he is satisfied with the progress being made in implementing the provisions of the Education Act 1981; and if he will make a statement.

Mr. Dunn: I refer the hon. Member to the answer I gave him on 22 January 1985 at column *844*.

Foreign Students

46. **Mr. Wallace** asked the Secretary of State for Education and Science what are the comparative figures between 1978-79 and 1984-85 for students from the Commonwealth, Latin America and the Middle East on courses in the United Kingdom.

Mr. Brooke: Information for 1984-85 is not yet available. The change up to 1983-84 has been as follows:

Students from abroad in higher and further education: Great Britain

Area	*1978-79*	*1983-84*	*Percentage change*
Commonwealth	44,600	28,600	−36
Latin America*	3,100	1,200	−61
Middle East†	16,700	7,600	−54

* Includes: Mexico, Guatemala, Belize, Honduras, El Salvador, Nicaragua, Costa Rica, Panama, Colombia, Venezuela, Guyana, Surinam, French Guiana, Ecuador, Peru, Bolivia, Paraguay, Brazil, Uruguay, Chile, Argentina.

† Includes: Saudi Arabia, Iran, Iraq, Kuwait, Syrian Arab Republic, Jordan, Lebanon, Israel, Yemen Arab Republic, People's Democratic Republic of Yemen, Oman, United Arab Emirates, Qatar, Bahrain.

Local Authority Education Departments

47. **Mr. Favell** asked the Secretary of State for Education and Science what percentage of those employed by local authority education departments perform teaching duties.

Mr. Dunn: Joint manpower watch provisional figures for March 1985 show that teachers or lecturers were 59 per cent. of the total staff employed in local authority education in England. Separate figures are not available within the 59 per cent. of teachers and lecturers who are actually engaged on teaching duties.

Nursery Education

53. **Mr. Wainwright** asked the Secretary of State for Education and Science if he has any plans to increase the number of children in nursery education.

Mr. Dunn: I refer the hon. Member to my reply to the hon. Member for Bolsover (Mr. Skinner) on 19 April at column *291*.

Teachers (Assessment)

54. **Dr. Michael Clark** asked the Secretary of State for Education and Science if he has specific proposals for a scheme for teacher assessment; and if he will make a statement.

Mr. Teddy Taylor asked the Secretary of State for Education and Science what progress he has made in his plans to introduce the regular assessment of teachers' performances; and if he will make a statement.

Sir Keith Joseph: I have invited views on a clarification of teachers' contractual duties which I believe should include a duty to take part in appraisal arrangements operated by the local education authorities. As announced in "Better Schools" (Cmnd. 9469), the Government propose to seek the power to require authorities regularly to appraise the performance of their teachers.

Grammar Schools

55. **Mr. Tony Lloyd** asked the Secretary of State for Education and Science if he will indicate the number of pupils who are attending grammar schools in those areas which still maintain a selective system; and if he will make a statement.

Mr. Dunn: In January 1984, the latest year for which firm figures are available, there were 175 grammar schools in England with 117,187 pupils.

Mandatory Awards Regulations

57. **Mr. Freud** asked the Secretary of State for Education and Science when he proposes to lay the education mandatory awards regulations before the House.

Mr. Brooke: The Education (Mandatory Awards) Regulations 1985 will be laid before Parliament by early August.

Teachers (Morale)

59. **Mr. Hardy** asked the Secretary of State for Education and Science what action he will take to secure an improvement in the morale of the teaching profession.

Sir Keith Joseph: I shall continue to try to increase public awareness of the importance and difficulty of the teacher's task, a task to which most teachers apply themselves with skill and dedication. The Government are seeking to assist them in that task through the policies outlined in "Better Schools" (Cmnd. 9469), including those for improving the quality of initial and in-service training. I shall continue to urge the teachers and their associations that the path to improved pay levels, greater regard from the general public and enhanced self-esteem within the profession lies in the reform of the current salary system to allow greater scope for the promotion of good classroom teachers, combined with a clearer definition of the teacher's duties to establish what can reasonably be expected of them and the introduction of performance appraisal to facilitate their professional and career development.

Religious Education

60. **Mr. Peter Bruinvels** asked the Secretary of State for Education and Science what plans he has to seek to ensure that religious education is taught in every school.

Mr. Dunn: We have made it clear that we look to local education authorities to ensure that the statutory requirements on the provision of religious instruction in maintained schools are met.

Pupil Expenditure

14. **Mr. Yeo** asked the Secretary of State for Education and Science what is his latest estimate of the level of expenditure per school pupil in 1984-85.

Mr. Dunn: Local education authorities in England are estimated to spend an average of £890 per pupil in 1984-85, according to figures from the Chartered Institute of Public Finance and Accountancy. The figure was estimated at 1983-84 prices.

Primary School Education

Mr. Freeman asked the Secretary of State for Education and Science if he will give figures showing the numbers of children entering primary school education in each of the past five years, and for 1975, in *(a)* the United Kingdom and *(b)* Northamptonshire.

Mr. Dunn: The Department does not collect information on pupils entering school. The numbers of pupils aged five years attending maintained primary schools in England and Northamptonshire for the years concerned were as follows:

January of each year	*Northamptonshire*	*England*
1975	8,461	702,975
1980	7,432	570,944
1981	7,015	540,893
1982	6,723	516,954
1983	6,403	495,738
1984	6,664	507,909

Information about schools in Scotland, Wales and Northern Ireland is the responsibility of my right hon. Friends for Scotland, Wales and Northern Ireland respectively.

Sixth Forms

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science how many pupils attend independent school sixth forms in England; and what proportion of the total number of sixth form pupils this represents.

Mr. Dunn: In January 1984, there were 66,738 pupils aged sixteen and over in independent schools. This represents 17 per cent. of all pupils of that age group in maintained secondary schools and independent schools.

Pupil-teacher Ratios

Mr. Colvin asked the Secretary of State for Education and Science what are the pupil-teacher ratios for Hampshire for 1984-85 for all maintained schools, primary and secondary.

Mr. Dunn: The latest information is for January 1984, when the pupil-teacher ratios within maintained primary and secondary schools in Hampshire were 24·0 and 17·1 respectively; the pupil-teacher ratio overall was 19·6.

Casterton Community College

Mr. Latham asked the Secretary of State for Education and Science whether he will review the minor works allocation which he has made to Leicestershire county council so as to make provision for an early improvement scheme at Casterton community college.

Mr. Dunn: The allocations of expenditure on county schools are block allocation which authorities are free to use as they see fit. Individual projects, major or minor, are not identified.

I understand that Leicestershire has not made provision from their 1985-86 allocation for improvement work at Casterton community college.

St. Francis Roman Catholic Primary School, Melton Mowbray

Mr. Latham asked the Secretary of State for Education and Science what provision he made within the minor works programme in Leicestershire for voluntary aided schools, and specially for St. Francis Roman Catholic primary school, Melton Mowbray.

Mr. Dunn: Leicestershire's minor works allocation for voluntary aided schools in 1985-86 was £40,000. The authority has not made provision from within this amount for any work at St. Francis Roman catholic primary school, Melton Mowbray in the current year.

Mr. Latham asked the Secretary of State for Education and Science why he rejected the bid by Leicestershire county council for a basic need extension to Melton Mowbray St. Francis Roman Catholic (aided) primary school as a major project for 1985-86; and whether he will now reinstate it.

Mr. Dunn: Additional school places qualify as basic need provision where they meet the needs of population growth. Forecasts of population growth in the area served by St. Francis's school were not sufficiently firm to qualify as basic need when the 1985-86 capital building allocation was made. There is no prospect of including an allocation for a project during the current year.

School Organisation

Mr. Peter Bruinvels asked the Secretary of State for Education and Science what changes in school organisation are planned in the light of falling school rolls.

Mr. Dunn: My right hon. Friend gave notice in this year's public expenditure White Paper (Cmnd. 9428) that he intended to set local education authorities new targets for the removal of surplus school places beyond 1987, after consultation with the local authority associations. It is, however, for local education authorities, in consultation with the governors of voluntary schools, to determine whether the rationalisation of school provision in the light of the continuing fall in pupil numbers should be accompanied by any changes in the pattern of school organisation in their areas, and to publish proposals under sections 12-15 of the Education Act 1980 if these are required before any desired changes can be brought into effect.

Universities and Polytechnics (Commercial Activities)

Mr. Leigh asked the Secretary of State for Education and Science if he will make it his policy that universities and polytechnics should supplement their grant income by engaging in commercial activities.

Mr. Brooke: Sections 5 and 9 of the Green Paper on "The Development of Higher Education into the 1990s" (Cmnd. 9524) outlined the benefits to universities and polytechnics from closer involvement with business, including the opportunity to obtain more income from commercial activities. The Government recognised that the scope for supplementing grant income from business and private sources will vary from institution to institution. In addition the Government confirmed that resources for the universities were no longer based on the concept of a deficiency grant and that universities could therefore seek to maximise their income from sources other than the ratepayer or taxpayer without fear of consequential reduction in grant. For polytechnics and local authority colleges the Government have introduced legislation to remove the technical barriers which have hindered their earning income from business, and from the transfer of technology to business.

Medical Students

Dr. Mawhinney asked the Secretary of State for Education and Science how many medical students are planned to enter medical schools for the first time in October 1985.

Mr. Brooke: The target level for pre-clinical medical school intakes in Great Britain is 4,080. The provisional figure for the intake in October 1984 is 3,956. The intake in October 1985 can be expected to be similar and within the overall target.

Handicapped Children

Mr. St. John-Stevas asked the Secretary of State for Education and Science what representations he has received regarding the current level of provision in the education system for children with the dual disabilities of deafness and mental handicap; whether he has received any representations from organisations in the Chelmsford area; and if he will make a statement.

Mr. Dunn: My right hon. Friend has received no such representations either from Chelmsford or from elsewhere.

Mr. St. John-Stevas asked the Secretary of State for Education and Science how many pupils with the dual disabilities of deafness and mental handicap are catered for by the education system; and what information he has as to how many such pupils there are in the Chelmsford area.

Mr. Dunn: These figures are not available centrally. My right hon. Friend may wish to approach the Essex local education authority about the number of such pupils in the Chelmsford area.

SCOTLAND

River Tay

Mr. Canavan asked the Secretary of State for Scotland how many objections have been received to the application for the River Tay protection order; and what is the total number of individual names appended to the objections.

Mr. John MacKay: Eighty-five objections have been received. The number of signatures appended to the objections, some of which were petition forms, was 931.

Forestry Grants

Mr. Maclennan asked the Secretary of State for Scotland what is the Forestry Commission's policy on retrospective applications for grant approval under the dedication and forestry grant schemes; and on how many occasions in the last 10 years such approval has been granted.

Mr. John MacKay: The rule in the Forestry Commission's grant schemes is that approval is not given retrospectively to planting applications. A very small number of exceptions have been made to this rule in circumstances where there has been a misunderstanding about planting approval, and where this has not been the fault of the applicant. Cases where applications had been approved retrospectively under the forestry grant scheme were listed in my reply of 17 June, at column *30*, to the hon. Member for East Lothian (Mr. Home Robertson). Information on such cases under the commission's dedication schemes over the past 10 years is not held centrally and could be provided only at disproportionate cost.

Mentally Handicapped People (Support)

Mr. Wilson asked the Secretary of State for Scotland what amount was disbursed by his Department in support finance for the mentally handicapped in 1984-85; and what is the amount in the current financial year.

Mr. John MacKay: An estimated £2·8 million was spent by health boards in 1984-85 on support finance projects. A substantial proportion of this money was spent on projects for the mentally handicapped, but detailed information is not readily available centrally. I have indicated to health boards that I expect the overall level of expenditure on support finance in the current year to be around £6 million. Decisions on individual projects to be supported from Health Service resources are primarily for health boards.

Occupational Therapists

Mr. Wilson asked the Secretary of State for Scotland how many occupational therapists were in post in each health board area as at 30 September 1984; and if, for each area, he will give figures to show the population per therapist ratio.

Mr. John MacKay: The whole-time equivalent number of occupational therapists in post in each health board area at 30 September 1984 and the population per therapist ratio is shown in the table. The figures given relate to occupational therapists employed by health boards and take no account of those who are employed by local authorities but who also work in health related fields.

Health Board	*Number of occupational therapists whole-time equivalent*	*Ratio per head of population*
Argyll and Clyde	11·2	1:39996
Ayrshire and Arran	11·5	1:32676
Borders	2·3	1:44034
Dumfries and Galloway	14·1	1:10367
Fife	11·5	1:29955
Forth Valley	13·2	1:20666
Grampian	34·4	1:14455
Greater Glasgow	108·0	1: 9065
Highland	8·4	1:23477
Lanarkshire	7·2	1:79255
Lothian	112·4	1: 6624
Orkney	—	—
Shetland	0·6	1:38918
Tayside	45·6	1: 8649
Western Isles	—	—
Scotland	380·4	1:13527

Industrial Production

Mr. Wilson asked the Secretary of State for Scotland what was the increase, or otherwise, in *(a)* manufacturing output and *(b)* productivity in Scotland in 1984 compared with 1983; and how those figures compare with those for the United Kingdom.

Mr. Allan Stewart: Manufacturing output increased by 6 per cent. in Scotland in 1984 and productivity by 8·5 per cent. Broadly comparable figures for the United Kingdom were 3·4 per cent. and 4·8 per cent. respectively. Exact comparison is not possible since the Scottish output index is not adjusted for stock change, whereas the United Kingdom index is, and the Scottish figure for productivity does not take account of the self-employed, whereas the United Kingdom figure does.

HOUSE OF COMMONS

Stationery

Mr. Corbett asked the Lord Privy Seal what are the quantities ordered, and prices paid, for the following House of Commons official envelopes in each of the last three years: pre-paid A4 code 145, pre-paid A5 code 143, green ensign A4 code 118, green ensign A5 code 119, white ensign A4 code 120, white ensign A5 code 121,and pre-paid *Hansard* size code 147.

Mr. Biffen: I am advised that the quantities of these envelopes ordered through HMSO in each of the last three years are as follows:

HMSO Code No.	1982-83	1983-84	1984-85
23-118	180,000	300,000	224,000
23-119	150,000	340,000	160,000
23-120	280,000	340,000	200,000
23-121	210,000	210,000	374,000
23-143	1,025,000	1,630,000	1,080,000
23-145	1,200,000	1,910,000	2,185,000
23-147	200,000	285,000	270,000

Information about the prices paid is commercial in confidence.

WALES

Health Advisory Service Report

Dr. Roger Thomas asked the Secretary of State for Wales if he will take steps to provide additional financial resources to the East Dyfed health authority, the Pembrokeshire health authority and the Dyfed county council to provide services for the elderly in the light of the report by the hospital advisory service and the social work service published on 7 June; and if he will make a statement.

Mr. Wyn Roberts: Since 1979-80 we have provided the health authorities in the county of Dyfed with over £10 million in revenue growth funds, a 19·1 per cent. increase, together with 26·7 per cent. of the growth funds available in that period for psychiatric development in Wales. Additionally, nearly £13·5 million has been allocated in Welsh Office support towards joint finance projects. The great majority of the health advisory service's report recommendations require action by the health and social services authorities in Dyfed, and I look forward to their considered response.

Sheep Annual Premium

Mr. Geraint Howells asked the Secretary of State for Wales how many farmers in Wales have been disqualified from claiming the sheep annual premium because their claim forms arrived 24 hours late at agricultural divisional offices after 10 April; and if he will make a statement.

Mr. Nicholas Edwards: Thirty-three. Farmers had from 1 January to 10 April in which to claim sheep annual premium for 1985-86. Claims sent by first-class post and clearly posted in time for the last collection on 9 April have not been rejected on lateness grounds.

Psychiatric Provision

Mr. Hubbard-Miles asked the Secretary of State for Wales whether he has reached decisions on the provision of medium secure therapeutic psychiatric provision in Wales.

Mr. Wyn Roberts: Yes. We received 35 replies to the policy appraisal which I announced on 14 June 1984 at column 528. Most were strongly in favour of proceeding along the lines of our proposals. A case was made, however, for a slightly larger unit in south-east Wales to facilitate essential staff training and research. My right hon. Friend has therefore decided that 65 beds should be provided for Wales in three 15-bedded units and one 20-bedded unit. These will be built on the sites of existing psychiatric hospitals.

My right hon. Friend will decide the specific sites for the units following a full option appraisal and further public consultation. However, we expect there to be two units in south-east Wales, one in west Wales and the other in north Wales. They will be constructed over a six-year period beginning in 1986-87 with two to be built initially, one of which will be the 20-bed unit. The cost of building the four units will be about £3·1 million, with annual running costs of about £1·6 million once all four are operational.

ENERGY

Onshore Licensing

Mr. Portillo asked the Secretary of State for Energy when he will make an announcement about onshore licensing arrangements.

Mr. Buchanan-Smith [*pursuant to his reply*, 23 May 1985, c. *536*]: I have today placed in the Libraries of both Houses copies of the text of a notice announcing the invitation to apply for exploration licences in the first onshore round. The notice, which is to be published on July 2 in the official gazettes, also details the arrangements for application for appraisal and development licences, and sets out the terms and conditions for all licences. The dates for submission of applications for exploration licences are 24 and 25 September, 1985.

There is no question of my allowing onshore oil and gas exploration and production at any price. I seek a balance between national and local interests, between commercial and environmental. I will not allow a single well to be drilled onshore until the full rigour of local planning law has been exercised and until I am satisfied that all the consultations enforced by the new arrangements are completed satisfactorily.

For estuarial areas where planning laws do not apply, I have imposed stringent conditions — control over choice of drill sites, seasonal restrictions on drilling, and proof of ability to respond immediately and effectively to any oil spill. In addition licensees must consult with local authorities, the Nature Conservancy Council, local fishery committees, and port authorities.

And, should exploration and appraisal be successful in licensed estuarial areas, any development plan will be subject to detailed consideration involving all interested parties. This examination will be co-ordinated and fully evaluated by the Department of the Environment before a decision is taken to allow the development to go ahead.

TRANSPORT

London Underground (Investment)

Mr. Cohen asked the Secretary of State for Transport what proposals London Regional Transport has submitted to him for approval regarding major investment in the Central line; and if he will make a statement.

Mrs. Chalker: LRT has not so far submitted any major investment projects solely connected with the Central line for the Secretary of State's approval. The signalling equipment and the rolling stock are due to be renewed in the early 1990s. The Government have provided financial assistance towards the development of prototypes of a new generation of rolling stock, which LRT will test in public service.

Heathrow Airport (Rail Link)

Mr. Stephen Ross asked the Secretary of State for Transport if he will publish in the *Official Report* details of any appraisals of the current cost of constructing a main line rail link from London into Heathrow which were taken into account in formulating paragraph 5.16 of the White Paper on "Airports Policy", relating to surface access.

Mr. David Mitchell: There have been no detailed appraisals of the cost of a main line rail link to Heathrow; that is why we are commissioning a study of the options for improving surface access to Heathrow, including possible rail links. All the existing materials on the costs of rail links was made available at the inquiry and summarised by the inspector in his report.

Air Services

Mr. Stephen Ross asked the Secretary of State for Transport if he will seek to extend the progress made in negotiating liberal aviation arrangements within the European Economic Community to include countries outside Europe and in particular Singapore; and if he will make a statement.

Mr. Michael Spicer: As was made clear in the White Paper on airports policy, (Cmnd. 9542), the Government will encourage the liberalisation of air services wherever foreign competition is fair and British interests are not prejudiced. However, international aviation on long-haul routes remains heavily regulated, and in these circumstances increased access by foreign airlines to the United Kingdom must be balanced by parallel improvements in access, of equivalent value, for United Kingdom airlines to that country.

This policy will continue to be applied in our air services arrangements with Singapore.

Mr. Arnold asked the Secretary of State for Transport what estimate is available to him of *(a)* potential passenger traffic to Singapore and beyond from Manchester, *(b)* the number of passengers to Singapore and beyond from the north who currently fly from London and *(c)* the number of passengers from the north who currently interline to Amsterdam in order to pick up flights to Singapore and beyond.

Mr. Michael Spicer: The information available to me is as follows:

(a) Estimates of potential passenger demand from Manchester vary, but the demand to Singapore is probably in the region of 15,000 passengers per annum, with a similar demand to points beyond.

(b) Estimates suggest that up to 26,000 passengers per annum from the north-west, north and Yorkshire-Humberside planning regions travel through London with Singapore as their immediate or final destination.

(c) Reliable estimates of the numbers of passengers travelling to Singapore with only a transit stop in Amsterdam are not available.

Motorways (Noise Levels)

Sir John Biggs-Davison asked the Secretary of State for Transport if he will make a further statement on measures to reduce motorway noise.

Mrs. Chalker: I am very much aware of the concern of my hon. Friend and others about the impact of new motorways on surrounding areas.

My Department's aim is, by careful selection of route and design, to minimise damage to the environment and especially the harmful effects of noise for people living nearby. Special landscaping and other measures are provided to give protection where noise would exceed specified levels. This may take the form of noise insulation of individual dwellings as provided by the Noise Insulation Regulations 1975, or noise barriers where they would be more economic and effective, or by a combination of methods, according to circumstances.

My hon. Friend will be aware of the extensive works undertaken on the M25 in his constituency and also that I have agreed to consider, without commitment, the possibility of further remedial works. This will be done as quickly as possible.

Vehicle Excise Duty

Mr. Peter Robinson asked the Secretary of State for Transport how much revenue it is estimated was lost through evasion of road tax in England, Scotland and Wales in the financial year 1984-85.

Mr. Michael Spicer: The survey carried out for my Department last summer showed an annual loss of around £90 million through evasion in England, Scotland and Wales. The report on the survey was published on 18 December 1984 and a copy is available in the Library.

Mr. Peter Robinson asked the Secretary of State for Transport what is his best assessment of the number of civil servants involved in collecting road tax in England, Scotland and Wales.

Mr. Michael Spicer: Most vehicle excise duty is collected at post offices. In April 1985, 4,010 civil servants were employed in vehicle excise duty and vehicle registration work in England, Scotland and Wales; a specific allocation of staff to vehicle licensing work alone cannot readily be made.

Mr. Peter Robinson asked the Secretary of State for Transport how many road fund licences were issued in the financial year 1984-85 in England, Scotland and Wales.

Mr. Michael Spicer: 13·9 million 12-monthly and 14·9 million six monthly licences were issued in 1984-85.

Mr. Peter Robinson asked the Secretary of State for Transport how much revenue was raised by road tax in England, Scotland and Wales in the financial year 1984-85.

Mr. Michael Spicer: The net revenue from vehicle excise duty in 1984-85 was £2,091 million.

Liverpool Airport

Mr. Alton asked the Secretary of State for Transport who will be responsible for future debt repayments and running losses on Liverpool airport; and if he will make a statement.

Mr. Michael Spicer: The Local Government Bill provides that, if the districts within the present Merseyside county council can agree, the airport with its assets and liabilities will, on 1 April 1986, pass to them in accordance with their agreement. Otherwise it will pass, with its assets and liabilities, to the Merseyside joint transport authority.

Singapore Airlines

Mr. Thornton asked the Secretary of State for Transport whether within the framework of the new agreement allowing Singapore Airlines to provide flights to Manchester, he has any plans for further liberalisation of aviation arrangements between the United Kingdom and Singapore; and if he will make a statement.

Mr. Michael Spicer: I have no such plans.

Mr. Alfred Morris asked the Secretary of State for Transport what evaluations his Department has carried out of the commercial and other benefits to Greater Manchester and the north of England of the opening of a new air service between Manchester and Singapore; and if he will make a statement.

Mr. Ridley: The benefits and disbenefits of a particular service are difficult to evaluate, particularly in advance. I hope that the new service between Manchester and Singapore will benefit the economy of Greater Manchester and the north of England. However, I would in general expect services from regional airports by British Airlines to generate greater benefits than those by foreign airlines.

Trinity House Vessel

Mr. Sayeed asked the Secretary of State for Transport if he will make a statement about an order for the replacement of the Trinity House vessel Mermaid.

Mr. David Mitchell: Mermaid is 26 years old and her replacement has been under consideration for some time. My right hon. Friend has now agreed that Trinity House may place an order for a new vessel with Hyundai of Korea. The total cost, which will be met from the General Lighthouse Fund, is estimated at £9·6 million. This is about £5 million below the comparable UK price and cannot be matched by intervention fund support. My right hon. Friend noted, too, that 56 per cent. of the value of the content of the Hyundai vessel would be procured in the UK.

Accidents (A17)

Mr. Douglas Hogg asked the Secretary of State for Transport if, in respect of each year from 1970 to 1985, inclusive, he will list all personal injury accidents that have occurred on the A17 road within three quarters of a mile of Leadenham, stating *(a)* the date of the accident, *(b)* the number and nature of the vehicles involved and *(c)* the nature of the injuries sustained.

Mrs. Chalker: I regret that the information is not readily available. I shall write to my hon. Friend.

"Cycles on Trains"

Mr. Greenway asked the Secretary of State for Transport if he will have discussions with the chairman of British Rail about the contents of the research paper entitled "Cycles on Trains" commissioned by British Rail.

Mr. David Mitchell: The carriage of bicycles on trains is a matter for British Rail, but I should be happy to discuss this if the chairman wishes to raise the matter at one of our regular meetings.

Local Government Reform

Mr. Beaumont-Dark asked the Secretary of State for Transport how soon after abolition of the metropolitan county councils district councils will be able to secede from the proposed new public transport joint boards.

Mrs. Chalker: Where a district council can put forward a convincing case to secede from one of the new joint authorities, in principle the change ought to take place as soon as possible. I therefore hope very much that any district council which intends to make a case for early secession will do so quickly—subject to the passage of the Local Government Bill. If I receive a well substantiated case in the next few months, it will be my aim to complete consultations with other authorities as required by the relevant provisions of the Local Government Bill, so that a decision on secession can be taken before the expenditure level for the authority for 1987-88 is decided in July 1986. That would then allow time for such transfers as are needed to be arranged in good time for secession to take place on 1 April 1987.

AGRICULTURE, FISHERIES AND FOOD

Agricultural Prices

Mr. Deakins asked the Minister of Agriculture, Fisheries and Food if the European Economic Community Commission has on any occasion reduced agricultural prices without the prior authority of the Council of Ministers; and if he will make a statement.

Mr. Jopling: The European Commission decided on 19 June 1985 that, in the absence of decisions by the Council of Ministers on support prices for cereals and rapeseed for 1985-86, it would adopt precautionary measures to manage the markets for these commodities pending the Council's final decisions. The Commission has stated that these measures would include, broadly, the application of a reduction of 1·8 per cent. to the 1984-85 prices for these commodities.

NORTHERN IRELAND

Dog Licences and Sheep Worrying

Mr. Beggs asked the Secretary of State for Northern Ireland (1) how many dog licences were purchased in Northern Ireland in each of the last two years for which records are available;

(2) how many cases of sheep worrying in Northern Ireland were reported to the Royal Ulster Constabulary in each of the last two years;

(3) how many dog-owners in Northern Ireland were prosecuted in respect of sheep worrying in each of the last two years;

(4) how many dog-owners have been prosecuted in Northern Ireland as a result of action taken by dog wardens employed by district councils.

Dr. Boyson: I refer the hon. Gentleman to the answer I gave to my hon. Friend the Member for Penrith and The Border (Mr. Maclean) on 15 April, at columns *58-59*. The information requested on sheep worrying is not readily available, and could be obtained only at disproportionate cost.

Local Enterprise Development Unit

Mr. Peter Robinson asked the Secretary of State for Northern Ireland how many staff have been employed by the Local Enterprise Development Unit in each of the last five years.

Dr. Boyson: The information is as follows:

	Number
1980	58
1981	59
1982	66
1983	83
1984	87

Terrorism (Anglo-Irish Co-operation)

Mr. McNamara asked the Secretary of State for Northern Ireland (1) what indications he has received from the Lord Chief Justice of Northern Ireland as to the policy of himself and other members of the Northern Ireland bench in the event of implementation of measures of co-operation between Her Majesty's Government and the Republic of Ireland currently under discussion and including participation of judges from the Republic of Ireland in trials of terrorist-type offences in Northern Ireland; and if he will make a statement;

(2) if he has sought the advice of the Lord Chief Justice of Northern Ireland on the practical implications for the judiciary of any proposal to enable judges from the Republic of Ireland to sit and participate in courts trying terrorist-type offences; and if he will make a statement.

Mr. Hurd: I shall reply to the hon. Member as soon as possible.

FOREIGN AND COMMONWEALTH AFFAIRS

Uganda

Mr. Deakins asked the Secretary of State for Foreign and Commonwealth Affairs if he will instruct the United Kingdom High Commissioner in Uganda to compile a report on the human rights situation in that country; and if he will make a statement.

Mr. Rifkind: The recent Amnesty International report, which we are studying with very grave concern, is an important supplement to the regular reports we already receive from our high commissioner.

Mr. Deakins asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the substance of the report by Amnesty International on the current human rights situation in Uganda, a copy of which has been sent to him.

Mr. Rifkind: I refer the hon. Member to the answer I gave to the hon. Member for Liverpool, Mossley Hill (Mr. Alton) on 24 June at column *318*.

Recognition and Diplomatic Relations

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs (1) if he will list in the *Official Report* the countries which are not recognised by Her Majesty's Government;

(2) if he will list in the *Official Report* the countries with which Her Majesty's Government do not have diplomatic relations.

Mr. Renton: I refer the hon. Member to the answer I gave to the right hon. Member for Strangford (Mr. Taylor) on 19 June 1985 at column *151*.

Lebanon

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs what representations he made to the Lebanese or Syrian Governments about the recent massacres of Palestinian Arabs by Shi'ite Lebanese Arabs in the housing estates in the suburb of Beirut knows as Sabra and Chatilla; and whether the United Kingdom Ambassador at the United Nations asked for a meeting of the Security Council regarding these inter-communal Arab massacres.

Mr. Luce: I refer my hon. Friend to the answer I gave to the hon. Member for Isle of Wight (Mr. Ross) on 20 June at column *202*.

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs what is the policy of Her Majesty's Government towards the withdrawal of Israeli defence forces from Lebanon; and what communication Her Majesty's Government have had with the Government of Israel on this matter.

Mr. Luce: We condemned the Israeli invasion of Lebanon in 1982, and welcomed the Israeli Government's decision to end their occupation. We have made it clear to the Israeli Government that we look for the early and complete withdrawal of all Israeli forces from Lebanese territory.

Mr. George Habash (Press Conference)

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs what report he has received from Her Majesty's ambassador in Kuwait about the press conference held there by George Habash, Secretary-General of the Popular Front for the Liberation of Palestine, rejecting the Hussein-Arafat agreement.

Mr. Luce: We are aware of statements made during his recent visit to the Gulf by Dr. Habash, Secretary-General of the Popular Front for the Liberation of Palestine. His views have for a long time been out of line with those of the mainstream Palestine Liberation Organisation.

Libya

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs if there are any plans to resume normal diplomatic relations with Libya; and if he will make a statement.

Mr. Luce: We have no plans to resume diplomatic relations with Libya. Since the meeting of British and Libyan officials held in Rome on 5 March, our exchanges with the Libyans have continued to be conducted through the respective protecting powers.

NATIONAL FINANCE

Argentina (International Debts)

Mr. Deakins asked the Chancellor of the Exchequer if Her Majesty's Government are involved in or has been consulted about, current talks in the United States of America on downgrading the international debts of Argentina.

Mr. Ian Stewart: No.

Falkland Islands

Mr. Dalyell asked the Chancellor of the Exchequer what recent payments have been made from the Contingency Fund in relation to the Falkland Islands.

Mr. Peter Rees: None.

Economic Policy

Mr. Redmond asked the Chancellor of the Exchequer what criteria he uses in determining the relative priority in his economic policy of tax cuts and investment in public infrastructure.

Mr. Peter Rees: The main criterion is the long-term benefit to the economy.

Drug Detection Staff

Mrs. Renée Short asked the Chancellor of the Exchequer how many Customs and Excise officers were employed, in each year since 1979, solely for the purpose of drug detection tasks.

Mr. Hayhoe [*pursuant to his reply*, 21 June 1985, c. *232*]: The number of Customs and Excise officers employed solely on drugs investigation work was as follows:

	Number
1979	121
1980	133
1981	152
1982	183
1983	201
1984	212

About 30 full-time support staff are currently employed and, as announced on 11 June, a further 50 specialist investigative posts are being added in 1985.

In addition, the government announced last October an additional 160 officers solely for drugs work. A further 2,715 customs officers are employed on preventive work, an important part of which involves the detection of drugs.

Inflation

Mr. Latham asked the Chancellor of the Exchequer to what factors he attributes recent sharp increases in the rate of inflation; why this has exceeded the expectations which he announced in his budget statement; and when he expects to resume progress towards the Government's ultimate objective of price stability.

Mr. Peter Rees [*pursuant to his reply*, 24 June 1985, c. *324*]: The recent rise in retail price inflation is mainly attributable to the rise in mortgage interest rates during 1985 and the fall in sterling in the latter part of last year and the beginning of this year. This fall in the exchange rate, since reversed, appears to have had a somewhat larger impact on domestic prices than was anticipated a few months ago. I remain confident that the rate of inflation will fall during the second half of 1985, as forecast in the Budget.

EC (Finance)

Mr. Teddy Taylor asked the Chancellor of the Exchequer if he will publish a table showing, in respect of the calendar years 1985 to 1988, his estimates of the net payments by the UK to the EEC, pursuant to the estimates given in the public expenditure White Paper for each of the financial years from 1985 to 1988; and if he will also publish a table showing the net contributions by the UK in each of the calendar years from 1973 to 1984, respectively.

Mr. Ian Stewart [*pursuant to his reply*, 20 June 1985, c. *222*]: The calendar year is not an accounting period for purposes of UK expenditure and annual figures for UK net contributions by calendar year are available only in arrears. The figures for the UK's net contributions for the calendar years 1973 to 1983 and the latest estimate of outturn for 1984, at constant 1984 prices, are as follows:

	*£ million Net Total**
1973	391
1974	97
1975	−147
1976	380
1977	738
1978	1,481
1979	1,489
1980	927
1981	466
1982	664
1983	674
1984	689

*Negative sign denotes a net receipt.

The figures given in the reply have been calculated in constant prices by use of the GDP deflator based on GDP in pounds sterling at 1984 average market prices. These figures are published in *Economic Trends*.

Mr. Teddy Taylor asked the Chancellor of the Exchequer what estimate he has made of the net contribution which the United Kingdom will make to the European Economic Community in 1986 in the event of the own resources of the Community being increased in accordance with the Fontainebleau agreement.

Mr. Ian Stewart [*pursuant to his reply*, 20 June 1985, c. *222*]: The public expenditure White Paper figures for 1985-86 and 1986-87 for our net contributions to European Community institutions were £750 million and £640 million respectively. These took account of the proposed increase in the VAT ceiling and the Fontainebleau abatement mechanism. As is usual, these estimates will be updated, taking account of all relevant factors, for publication in the Autumn Statement. Estimates of the United Kingdom's contributions are not produced on a forward calendar year basis as these are not an accounting period for the purposes of United Kingdom public expenditure. They are available, however, for past years.

Mr. Marlow asked the Chancellor of the Exchequer if he will set out an index for *(a)* the Community overall budget and *(b)* the Community agricultural budget for 1985 and each of the preceding four calendar years indexed against a 1985 index in each case of 100.

Mr. Ian Stewart [*pursuant to his reply*, 20 June 1985, c. *222*]: The information required comparing successive budgets since 1981 at 1985 prices is as follows:

	Total Community Budget	Community Agricultural Budget
1985	100·0	100·0
1984	100·7	94·9
1983	98·0	88·4
1982	92·1	89·6
1981	85·0	76·7

Note: The agricultural expenditure figures in the above table differ in two respects from those given by the Minister of Agriculture, Fisheries and Food in his reply of 20 June 1985, at column *214*. That information concerned actual outturn expenditure and the index was based on current prices.

EMPLOYMENT

Careers Service

61. **Mr. Colvin** asked the Secretary of State for Employment whether he has any plans to reform the careers service.

Mr. Peter Morrison: I have taken a close personal interest in the careers service over the last four years and I have been particularly keen to do what I can to improve its effectiveness and efficiency. For example, I have instituted a new system whereby I follow up careers service inspection reports at meetings with the individual local authorities concerned; and I intend to continue to emphasise that it is important for the service to give sound, practical and realistic help to youngsters. I remain concerned that local education authorities should seek the right sort of person as a careers officer. They should be encouraging, to a greater extent than they are, the recruitment of people who have been for several years in the industrial and commercial world, and whose experience is suited to help youngsters.

Political Fund Ballots

Mr. Golding asked the Secretary of State for Employment whether any queries have been raised with the certification officer in connection with any alleged malpractice in the conduct of political fund ballots held under the Trade Union Act 1984; and whether he will make a statement.

Mr. Peter Bottomley: I am informed by the certification officer that he has not received any queries about malpractices alleged to have taken place during a political fund ballot held under the provisions of the Trade Union Act 1984. The certification officer has the statutory responsibility for approving rules for political fund ballots but he has no power to examine alleged infringements of those rules. This would be a matter for the courts. I am not aware of any proceedings in this connection.

Mr. Golding asked the Secretary of State for Employment what correspondence has been entered into with the certification officer on the funding of political fund ballot campaigns from general funds of trade unions; and whether he will make a statement.

Mr. Peter Bottomley: I am informed by the certification officer that he has received two letters inquiring in general terms about the statutory provisions relating to the funding of political fund ballot campaigns, to which he has replied giving advice in so far as he is able to do so having regard to his statutory responsibilities. Political fund ballot campaigns may be paid for from general funds of trade unions with the exception of any items of expenditure which are in furtherance of "political objects", as defined in the Trade Union Act 1913, as amended by the Trade Union Act 1984. These are:

"the expenditure of money:

(a) on any contribution to the funds of, or on the payment of any expenses incurred directly or indirectly by, a political party;

(b) on the provision of any service or property for use by or on behalf of any political party;

(c) in connection with the registration of electors, the candidature of any person, the selection of any candidate or the holding of any ballot by the union in connection with any election to a political office;

(d) on the maintenance of any holder of a political office;

(e) on the holding of any conference or meeting by or on behalf of a political party or of any other meeting the main purpose of which is the transaction of business in connection with a political party;

(f) on the production, publication or distribution of any literature, document, film, sound recording or advertisement the main purpose of which is to pursuade people to vote for a political party or candidate or to persuade them not to vote for a political party or candidate".

Mr. Golding asked the Secretary of State for Employment whether he has been presented with any complaint backed by evidence of malpractice in the conduct of any political fund ballot held under the Trade Union Act 1984; and whether he will make a statement.

Mr. Peter Bottomley: I have been presented with no such complaint.

Labour Statistics

Mr. Parry asked the Secretary of State for Employment (1) if he will list the level of long-term youth unemployment in EEC member countries at the latest available date from sources which are available to him;

(2) what is the level of long-term youth unemployment in England and Wales at the latest available date.

Mr. Alan Clark: The information for EEC member countries is available from the annual publication of the Statistical Office of the European Community (SOEC), Eurostat-Structure of Registered Unemployment in the Community, and for England and Wales from the Department's monthly *Employment Gazette*. These are available in the Library. The national figures published by SOEC are not comparable because of differences in definitions and coverage of the statistics.

Labour and Social Affairs Council

Mr. Spencer asked the Secretary of State for Employment if he will make a statement on the European Community Labour and Social Affairs Council held in Luxembourg on 13 June.

Mr. Tom King: I represented the United Kingdom at this Council, which reached agreement on seven proposals. The Council's conclusions on a programme of measures for employment make a number of sensible suggestions, particularly on the need for greater enterprise and more flexibility in the labour market. I welcome the conclusions on the statistical mechanism for the European social fund, which makes a sizeable contribution to employment and training schemes in the United Kingdom, the decision on the comparability of vocational training qualifications, which should help improve labour mobility

within the Community and the resolution on guidelines for migration policy on which I reaffirmed our commitment to equality of opportunity.

The Council agreed without discussion conclusions on the directive on the education of migrant workers' children, social security regulations and the recommendation on social protection for voluntary workers overseas, which recommends that cover for social security benefits and health care should not be prejudiced by voluntary service abroad.

The Council agreed in principle the central issues of the draft directive on the protection of workers from noise. I made it clear that I would welcome early agreement to a directive setting out requirements to protect employees' hearing.

The Vredeling, part-time work and parental leave draft directives were not taken any further forward. I maintained our reserve in principle on each and stressed that they were not appropriate areas for Community action at this time. the Council noted progress on the draft directive on equal treatment in occupational social security.

I pressed the Commission to include the effect on small firms of the equal treatment directive in its examination of the burdens of Community legislation on firms.

Enterprise Allowance Scheme

Mr. Alan Howarth asked the Secretary of State for Employment what evidence is available to his Department on the job creation effects of the enterprise allowance scheme.

Mr. Alan Clark: The latest available evidence from a national survey of participants shows that for every 100 businesses supported under the scheme for a full year, 68 additional jobs are created.

Training

Mr. Sheerman asked the Secretary of State for Employment if he will list the numbers *(a)* entering apprenticeships, *(b)* in apprenticeships and *(c)* completing apprenticeships in each of the industries for which industrial training boards have operated in each year since 1964.

Mr. Peter Morrison [*pursuant to his reply*, 24 June 1985, c. *315-16*]: This information is not available. It was not a requirement that industrial training boards kept comprehensive records of the numbers in apprenticeship schemes.

Mr. Sheerman asked the Secretary of State for Employment what was the projected cost of the youth training scheme at current prices in the year of its announcement; and what are the costs for 1984-85 and the projected cost for 1985-86 adjusted to the prices of that year.

Mr. Peter Morrison [*pursuant to his reply*, 24 June 1985, c. *315-16*]: The information requested is set out in the table:

	Estimate	*Expenditure Outturn*	*Expenditure in 1983-84 Prices*
	£m.	*£m.*	*£m.*
1983-84	465·2	380·5	380·5
1984-85	797·1	765·3	732·3
1985-86	781·1	—	711·9

Notes:—
(1) Expenditure covers grants to YTS sponsors and expenditure on research and development but excludes administration costs.
(2) Expenditure in 1983-84 prices is derived using the GDP deflator.
(3) Expenditure outturn for 1984-85 is provisional.

Mr. Sheerman asked the Secretary of State for Employment how many people have benefited from the adult training strategy in 1984-85; what is the estimate for 1985-86 and 1986-87; what will be the average number of direct contact hours they will have with trainers; and how these numbers and averages compare with adult training conducted in the years 1975 to 1984 for which his Department was directly or indirectly responsible.

Mr. Peter Morrison [*pursuant to his reply*, 24 June 1985, c. *315-16*]: About 132,000 people benefited from the adult training strategy in 1984-85. We plan that some 220,000 should benefit in 1985-86 and more than 250,000 in 1986-87. Because of changes in the nature of schemes and training arrangements, comprehensive and consistent information about the numbers benefiting from Government-funded training for adults in the period 1975 to 1985 is not available. The table shows numbers benefiting from 1976-77 onwards from the main scheme to have existed throughout the period, the training opportunities scheme. However, the Government have also funded training throughout the period through the industrial training boards and other industry training organisations; through its direct training services to employers until 1983-84—now skillcentre services to employers—and through a number of new measures under the adult training strategy since 1984-85. I regret that information about average direct contact hours with trainers is not available.

Entrants to Training Opportunities Scheme

	Number
1976-77	*121,000
1977-78	89,000
1978-79	95,000
1979-80	88,000
1980-81	84,000
1981-82	71,000
1982-83	73,000
1983-84	80,000
1984-85	88,000
1985-86 †(estimated)	116,000
1986-87 †(estimated)	136,000

* Includes a number of young people: these cannot be disaggregated from total
† From 1985-86 components of TOPS renamed job training scheme, wider opportunities training programme and training for enterprise. (These totals include all three of these programmes).

ENVIRONMENT

Anti-fouling Paints

Mr. Kilroy-Silk asked the Secretary of State for the Environment (1) if he will detail the damage that has been done to oysters and other marine organisms, and where, by tributyl tin from anti-fouling paint;

(2) when he intends to impose a ban on the use of tributyl tin paint;

(3) if he will list all those individuals and organisations that have made representations to him to *(a)* impose a ban on the use of tributyl tin paint and *(b)* not impose a ban on tributyl tin paint;

(4) if he has any estimate of the economic cost of the damage to oysters and other marine organisms caused by tributyl tin from anti-fouling paint;

(5) what information he has as to which other countries ban or restrict the use of tributyl tin paint; and what have been the results.

Mr. Waldegrave: Information on the damage to oysters and other marine life is set out in the paper placed in the Library of the House in response to questions from my hon. Friend the Member for Gosport (Mr. Viggers) answered on 24 April 1985 at columns *464-66*. The effects on oysters include shell thickening, poor overall growth, reduced yield, and inhibition or total failure of reproduction. Effects on the growth and reproduction of other organisms have also been demonstrated. I have became aware recently of work in the United States of America which indicates that species diversity may also be affected.

Government proposals to control the supply and use of organotin based anti-fouling paints in order to protect the marine environment were issued for consultation in February 1985. Over 800 representations were received during the consultation. These are currently being assessed and I expect to announce the Government's conclusions soon. To list all the individuals and organisations making representations would not be appropriate but I shall provide the hon. Member with an analysis of the results of the consultation when this is available and place copies in the Library of the House at that time.

No estimate of the economic cost of damage to oysters and other marine life has been attempted. It would be difficult, if not impossible, to do. Any value for shellfish which might have been grown and marketed had they not been affected by tributyl tin must be hypothetical. Other affected organisms, which are important to the well-being of the marine environment, have no commercial value in themselves.

The use of anti-fouling paints containing tributyl tin has been restricted in France and the results have included the progressive recovery of some areas previously damaged. I am also aware of research going on in several other countries.

Mr. Colvin asked the Secretary of State for the Environment if he will consider extending the scope of the proposed ban on the use of anti-fouling paints based on organotin compounds.

Mr. Waldegrave: There is, as yet, no ban on the use of anti-fouling paints based on organotin compounds. Proposals to prevent the use of these paints on small craft were issued for consultation in February 1985. The evidence which led to these proposals relates to shallow waters and estuaries where there are large numbers of small craft moored for long periods and the proposals are framed to deal specifically with this situation. Any extension of the proposed controls would depend on further evidence of need. I expect to announce soon the results of the consultation and the Government's conclusions.

Swan Deaths

Mr. Mason asked the Secretary of State for the Environment if he will conduct an investigation jointly with the Nature Conservancy Council to ascertain the relationship between the increase in river traffic and the incidence of swan deaths, with a view to making recommendations; and if he will make a statement.

Mr. Waldegrave: There is circumstantial evidence that the problem of lead poisoning of swans by ingestion of fishing weights is particularly acute in waterways which do not have an abundance of aquatic vegetation, often as a consequence of an increase in river traffic. This is thought to be because discarded or accidentally spilt shot remains more easily accessible to swans where vegetation is sparse. However, the problem of lead poisoning is not confined to waterways with heavy river traffic and I am satisfied, from the scientific evidence provided by the Nature Conservancy Council, that the major and direct cause of deaths of swans is the ingestion of fishing weights. I do not consider it necessary to conduct any additional investigation along the lines suggested.

Mr. Mason asked the Secretary of State for the Environment if he will publish in the *Official Report* a list of those rivers and the counties through which they flow, where a noticeable rise in the number of swan deaths has followed an increase in river traffic; if he will make available any other information his Department has gathered on this subject; and if he will make a statement.

Mr. Waldegrave: This information is not available.

Lighting (London)

Mr. Peter Bruinvels asked the Secretary of State for the Environment what proportion of urban aid is spent on urban lighting within London.

Sir George Young: The information is not available in the form requested. In 1984–85 urban programme expenditure on schemes involving the provision or replacement of street lighting, street furniture and repair work accounted for 0·3 per cent. (or £142,000) of allocations made to partnership and programme authorities in London. Figures for 1985-86 are not yet available.

Urban Aid

Mr. Peter Bruinvels asked the Secretary of State for the Environment if he will list the types of projects which have been declared eligible for urban aid.

Sir George Young: My Department pays grant in respect of urban programme projects put forward by local authorities under the Local Government (Social Need) Act 1969. In practice, a wide range of schemes has been supported, including projects designed to encourage enterprise and business creation, reclaim derelict sites and

refurbish vacant buildings and tackle social problems. The revised ministerial guidelines for the urban programme, issued in May 1985, reaffirm the priority attached to projects that enhance the potential for investment and employment in inner city areas. Projects which tackle inner city problems through a range of economic, environmental and social projects are also eligible. A copy of the guidelines has been placed in the Library of the House.

Housing Defects

Mr. Corbett asked the Secretary of State for the Environment when he expects to announce his decision on whether to designate Boswell homes in Erdington, Birmingham, and elsewhere under the Housing Defects Act; and whether he will make a statement.

Mr. Gow: My Department is examining this matter in consultation with officials of Birmingham city council from whom further information is awaited. I shall announce a decision as soon as possible.

Urban Development Grant

Mr. Madden asked the Secretary of State for the Environment in approving applications for urban development grant, whether relevant local authorities are required to support approved applications financially; and if he will make a statement.

Sir George Young: Yes. All applications for urban development grant are submitted by local authorities. Twenty-five per cent. of the public sector contribution to an approved project is paid by the local authority and 75 per cent. by the Department.

Mr. Madden asked the Secretary of State for the Environment how many hotels have received urban development grant in the last five years to refurbish bedrooms to AA four-star standards.

Sir George Young: Two.

Mr. Madden asked the Secretary of State for the Environment how many hotels have had applications for urban development grant approved, to date, in the last five years; if he will give details of amounts of grant approved in total and for each project; and what are the main criteria taken into account when urban development applications are considered.

Sir George Young: Six offers of urban development grant have been made, all within the last five years, for hotels or developments including hotels:

	£ million	
	Public sector contribution (UDG)	*Private sector investment*
Liverpool, Adelphi Hotel	1·37	5·16
Birmingham, Paradise Circus	*4·68	*24·04
Kingston upon Hull, Town Docks	1·32	3·19
Sheffield, George St.	0·06	0·49
St. Helens, Newton Park Farm	0·60	3·15
Bradford, Midland Hotel	0·25	0·95
	8·28	36·98

* Hotel only part of this project.

One other offer for a hotel project has been made but was not taken up.

The criteria for approval of urban development grant are set out in the Department's guidance notes, a copy of which I am sending to the hon. Member.

Mr. Madden asked the Secretary of State for the Environment how many applications for urban development grant have been approved in the last year; how many applications have been rejected; and what was the total of grant approved.

Sir George Young: Since 1 April 1984, 77 applications for urban development grant have been approved and 28 applications have been rejected. The total public expenditure envisaged in the approved projects is £33·6 million and the private investment £121·3 million.

Ely Cathedral (Planning Application)

Dr. Cunningham asked the Secretary of State for the Environment what were his reasons for issuing a holding order to East Cambridgeshire district council relating to a planning application to build 63 homes on open land next to Ely cathedral; and what further action he proposes in this matter.

Mr. Patrick Jenkin: A direction under article 10 of the Town and Country Planning General Development Order 1977 was issued in order to enable me to consider whether the application should be called in for my own determination, or left to the local planning authority to decide. I shall let the hon. Member know what I decide.

Land (Public Bodies)

Mr. Amess asked the Secretary of State for the Environment whether he has any plans to exercise his powers under the Local Government, Planning and Land Act 1980 to compel public bodies to dispose of their interests in land entered in the registers of unused and under-used land.

Mr. Macfarlane: The Government are determined that unused and underused publicly-owned land should be brought into full use as soon as possible.

My right hon. Friend has therefore today issued notices under section 99 of the Local Government, Planning and Land Act 1980 relating to 50 sites entered on the registers of unused and under-used publicly owned land. The notices advise the landowners concerned that he proposes to direct them to dispose of these sites. The notices give the landowning bodies the opportunity to make representations to the Secretary of State as to why he should not direct them to dispose of their interest in the land or as to the contents of the proposed direction. A list of the 50 sites, which in total amount to 157 hectares of land, has been placed in the Library of the House.

Since the land registers were established about 8,000 hectares of land have been removed because they have been either sold or brought back into full use. We are very concerned that the momentum achieved so far should be maintained and these notices are a demonstration of our commitment.

We will continue to look closely at sites on the register with a view to identifying further candidates for disposal. In addition, as my right hon. Friend has recently made clear, we are keen that companies, developers and other interested parties should draw to our attention any publicly

owned land which they believe is underused and should be on the register and any registered land which they believe should be sold.

Yorkshire Water Authority

Sir Michael Shaw asked the Secretary of State for the Environment whether he has received any response from the Yorkshire water authority following the Monopolies and Mergers Commission's report last December; and if he will make a statement.

Mr. Gow: I am grateful to the Monopolies and Mergers Commission for its thorough investigations and report.

The report has been considered by the Yorkshire water authority and I am placing a copy of its initial response in the library of the House. The report commented on the substantial improvement in the efficiency of the authority in recent years particularly since the authority was reconstituted in October 1983. I congratulate Mr. Gordon Jones, who was then appointed chairman, for ths achievement.

Effective action is being taken on the five matters to which the report recommended that priority should be given (paragraph 2.67) work to establish and record the state of underground assets, to develop and use unit cost measures; to review calculations comparingthe costs and benefits of leakage control; to develop a structured approach to assessment of manpower requirements; and to develop a more rational approach to deciding investment priorities. When the authority reports again early next year I shall be looking for evidence, quantified wherever possible, of actual or projected achievement on these and other recommendations.

I have drawn the report to the attention of the other regional water authorities.

SOCIAL SERVICES

Hospital Health Standards (Prosecutions)

Mr. Cohen asked the Secretary of State for Social Services if he will seek to lift the immunity from prosecution for Crown property such as hospitals alleged to have inadequate environmental health standards; and if he will make a statement.

Mr. John Patten: I understand that the hon. Member is concerned about hygiene standards in the kitchens of NHS hospitals. In Health Circular HC(77)24 health authorities were told to give environmental health officers "open access" to their catering departments, to comply with the relevant regulations and not to use Crown immunity as a reason for failing to ensure that the standards prescribed by the regulations are met. We shall consider whether further action is required when the report of the inquiry into the outbreak of food poisoning at the Stanley Royd hospital, Wakefield is received.

Community Care

Sir David Price asked the Secretary of State for Social Services when he now expects to publish his reply to the second report from the Social Services Committee, Session 1984-85, on community care.

Mr. John Patten: We wish to reply as fully and as helpfully as possible, and to take appropriate account of other relevant work now in hand. We hope to publish our reply within the next few weeks.

Kidney Patients

Mr. Penhaligon asked the Secretary of State for Social Services if he will list the renal units in England and the number of patients in each case who use the facilities to dialyse on a regular basis.

Mr. John Patten: According to provisional data supplied by the European Dialysis and Transplant Association, the numbers of renal patients receiving dialysis at 31 December 1984 under the care of each NHS dialysis centre in England (grouped by region) was as follows:

	Haemodialysis		*Peritoneal dialysis*		
	Hospital	*Home*	*IPD*	*CAPD*	*Total*
1. NORTHERN					
Royal Victoria infirmary, Newcastle	79	26	8	130	243
South Cleveland hospital, Middlesbrough	38	41	0	19	98
Royal infirmary, Sunderland	58	0	9	16	83
Totals	175	67	17	165	424
2. YORKSHIRE					
Royal infirmary, Hull	25	53	2	34	114
St. James' hospital, Leeds	71	55	0	56	182
General infirmary, Leeds	16	0	3	35	54
Totals	112	108	5	125	350
3. TRENT					
Royal Hallamshire hospital, Sheffield	52	115	0	83	250
City hospital, Nottingham	25	36	0	59	120
General hospital, Leicester	42	57	0	62	161
City hospital, Derby	13	53	0	5	71

	Haemodialysis		Peritoneal dialysis		
	Hospital	*Home*	*IPD*	*CAPD*	*Total*
Totals	132	261	0	209	602
4. EAST ANGLIAN					
Addenbrooke's hospital, Cambridge Queen Elizabeth hospital, Kings Lynn	54	62	0	1	117
Norfolk and Norwich hospital, Norwich	41	7	0	6	54
Totals	95	69	0	7	171
5. NORTH WEST THAMES					
Hammersmith hospital, London, W12	16	0	2	22	40
Charing Cross hospital, London, W6	25	111	2	25	163
St. Mary's hospital, London W2	38	17	2	33	90
Totals	79	128	6	80	293
6. NORTH EAST THAMES					
St. Bartholomew's hospital, London EC1	22	74	3	42	141
The London hospital, London E9	46	89	0	79	214
St. Paul's hospital, London WC2	48	0	0	27	75
The Royal Free hospital, London NW3	29	74	12	40	155
Rochford hospital, Rochester	2	0	0	1	3
Totals	147	237	15	189	588
7. SOUTH EAST THAMES					
Kent and Canterbury hospital, Canterbury	17	31	1	21	70
St. Thomas' hospital, London SE1	33	38	0	31	102
Guy's hospital, London SE1	48	60	2	48	158
Royal Sussex County hospital, Brighton	38	48	0	12	98
Kings College hospital, London SE22	31	34	2	20	87
Totals	167	211	5	132	515
8. SOUTH WEST THAMES					
St. Helier hospital, Carshalton	20	26	0	66	112
9. WESSEX					
St. Mary's general hospital, Portsmouth	29	72	0	81	182
10. OXFORD					
Princess Mary's hospital, Aylesbury	4	0	0	0	4
Churchill hospital, Oxford	49	127	0	60	236
Totals	53	127	0	60	240
11. SOUTH WESTERN					
Southmead hospital, Bristol	19	102	0	52	173
Derriford hospital, Plymouth	16	38	1	36	91
Heavitree hospital, Exeter	23	28	4	17	72
Totals	58	168	5	105	336
12. WEST MIDLANDS					
Queen Elizabeth hospital, Birmingham	33	0	0	82	115
East Birmingham hospital, Birmingham	22	52	0	48	122
North Staffs hospital, Stoke-on-Trent	10	42	0	39	91
Wordsley hospital, Stourbridge	36	12	0	0	48
Walsgrave hospital, Coventry	24	0	0	0	24
Royal Shrewsbury hospital, Shrewsbury	1	0	0	4	5
Totals	126	106	0	173	405
13. MERSEY					
Sefton general hospital, Liverpool Mossley Hill hospital, Liverpool Waterloo hospital, Liverpool	76	69	5	30	180
Alder Hey children's hospital, Liverpool	11	0	0	5	16
Totals	87	69	5	35	196
14. NORTH WESTERN					
Royal infirmary, Manchester	38	36	0	68	142
Royal Manchester children's hospital, Manchester	10	0	0	2	12
Withington hospital, Manchester	28	112	0	33	173

	Haemodialysis		Peritoneal dialysis		
	Hospital	Home	IPD	CAPD	Total
Hope hospital, Salford	6	17	0	31	54
Totals	82	165	0	134	381

Pensions (Uprating)

Mr. Andrew Bowden asked the Secretary of State for Social Services if, in the light of the proposals in the Green Paper on social security, the uprating of the basic retirement pension will continue to be carried out on the historic basis; and upon which months' figures it will be based.

Mr. Newton: The uprating of basic retirement pension will continue to be determined according to the historic method. The month in which the movement in prices will be measured will depend on the precise dates of the upratings in July 1986 and April 1987. Our provisional expectations is that the July 1986 uprating would be based on the retail prices index for January 1986 and the April 1987 uprating on the RPI for September 1986.

Cleft Palates

Mr. Leighton asked the Secretary of State for Social Services what information he has about the percentage of children born in *(a)* the United Kingdom and *(b)* the London borough of Newham who have cleft palates.

Mr. John Patten: There were 695 notifications of liveborn children with cleft palate (including with cleft lip) in the United Kingdom in 1983, the latest year for which figures are available. This number is 0·098 per cent., of the corresponding number of livebirths.

In 1983 and 1984 there was a total of eight notifications of liveborn children with cleft palate (including with cleft lip) in the London borough of Newham, representing 0·103 per cent., of the number of livebirths.

It should be noted that the systems of notifications of congenital malformations differ in each country of the United Kingdom.

Housing Benefit

Sir David Price asked the Secretary of State for Social Services (1) when he proposes to publish proposals on reform of non-dependent deductions in housing benefit, as announced in paragraph 3.71 of the "Reform of Social Security: Programme for Change" (Cmnd. 9518);

(2) whether he intends to bring forward proposals for minimum payments of housing benefit, following the recommendation contained in paragraph 4.23 of the report of the housing benefit review (Cmnd. 9520).

Mr. Newton: These are matters for further consideration in the light of comments during the consultative period, and on which decisions will be taken as appropriate when the basic structure of any proposals for change have been settled.

Sir David Price asked the Secretary of State for Social Services if he proposes to implement the proposals to apply an income cut-off on housing benefit contained in paragraphs 3.15-3.17 of the report of the housing benefit review team (Cmnd. 9520).

Mr. Newton: We have not included an income cut-off, as suggested by the review team, in our specific proposals for reform because we recognise that it would be difficult to operate and one of our overall aims is greater simplicity of administration. We will, however, take into account any views expressed on this point during the consultation period. We do propose to introduce a capital cut-off, as indicated in paragraph 3.45 of Volume 2 of the Green Paper*.

*"Reform of Social Security: Programme for Change", Cmnd. 9518.

Sir David Price asked the Secretary of State for Social Services what assessment he made of the effect of local limits on the level of overall expenditure prior to making his proposal set out in paragraph 3.67 of Cmnd. 9518 to take reserve powers to set limits to the level of rent eligible for housing benefit; and if he will make a statement.

Mr. Newton: None. It is not possible to make any sensible estimate of the effect on overall expenditure of a reserve power.

Water Charges

Mr. Squire asked the Secretary of State for Social Services what guidance is given to adjudication officers by the Chief Adjudication Officer concerning the direct payment to water authorities, or local authorities on their behalf, of payments towards arrears of water charges; and how many such direct payments of arrears have been made in the years 1979-80 until the year for which the latest figures are available.

Mr. Whitney: Direct payment in respect of arrears of water charges can be made only where a claimant's supplementary benefit includes an amount for water charges as part of his housing requirements. Detailed guidance to adjudication officers on the criteria to be used in the implementation of water charges direct is given in paragraphs 9035-9036 of the "S Manual", a copy of which is in the Library. Direct payments should be arranged when the claimant has arrears in excess of half the annual charge due and it is in the interests of the claimants to do so or otherwise when it is in the overriding interests of the claimants and his family.

Information regarding the number of payments of water charges direct is not available.

Drug Rehabilitation Centres

Mr. Corbyn asked the Secretary of State for Social Services how much money was spent by central Government and what information he has as to the amount of money spent by *(a)* metropolitan councils and *(b)* borough councils on drug dependency and rehabilitation centres for each year since 1978.

Mr. John Patten: The Department has made grants to voluntary organisations under its general scheme of grants and the drugs initiative, and has made funds available to health authorities under the latter scheme, as follows, for services for drug misusers.

	£
1978-79	76,760
1979-80	71,110
1980-81	132,270
1981-82	141,850
1982-83	180,174
1983-84	1,077,854
1984-85	2,138,817

Information on expenditure by metropolitan councils and borough councils on services for drug misusers is not held centrally.

Tranquillisers

Mr. Corbyn asked the Secretary of State for Social Services what was the number of prescription issued by each district health authority with the North East Thames regional health authority for minor tranquillisers for both claimants and non-claimants for each month since January 1982.

Mr. Kenneth Clarke: We do not collect this kind of detailed information centrally. Neither do we have any reason to believe that the North-East Thames regional health authority makes such analysis of prescriptions issued, but the hon. Member may ask it if he wishes.

Family Income Supplement

Mr. Squire asked the Secretary of State for Social Services if he will publish a table showing the age distribution of children in families in receipt of family income supplement, based on the age bands used for the supplementary benefits scheme.

Mr. Whitney: The following is the information at the end of October 1984, the latest date for which a breakdown by age is available.

Age Range	*No. of Children*
0-10	276,000
11-15	126,000
16-17	23,000
18 and over	4,000
Total	429,000

Maternity Grant

Mr. Squire asked the Secretary of State for Social Services what is his estimate of the number and proportion of mothers who have received the maternity grant who are in families in receipt of neither supplementary benefit nor family income supplement during the latest period for which figures are available.

Mr. Newton: I regret that there are no figures which link receipt of maternity grant with receipt of supplementary benefit or family income supplement.

Supplementary Benefit

Mr. Squire asked the Secretary of State for Social Services if he will publish figures showing the average amount received in additional requirements to supplementary benefit *(a)* by all those claimants in receipt of such additions and *(b)* by claimants in receipt of such additions in the following specific categories: (i) retirement pensioners, (ii) the unemployed, (iii) the sick and disabled and (iv) one-parent families.

Mr. Whitney: Provisional information at December 1983 is as follows:

Amount per week

	£
All claimants	3·55
Retirement pensioners	3·61
Unemployed	3·27
Sick and disabled	4·64
One parent families	3·21

Source: Annual Statistical Enquiry 1983.

Pensions (Reciprocal Arrangements)

Mr. Rooker asked the Secretary of State for Social Services if he will list the countries with which the United Kingdom has reciprocal arrangements for increasing retirement pensions for nationals living abroad.

Mr. Whitney: These countries are:

Austria
Belgium
Bermuda
Cyprus
Denmark
Federal Republic of Germany
France
Gibraltar
Greece
Guernsey
Irish Republic
Isle of Man
Israel
Italy
Jamaica
Jersey
Luxembourg
Malta
Mauritius
Portugal
Spain
Switzerland
The Netherlands
Turkey
United States of America
Yugoslavia

Increases are also payable to pensioners living in Sark. This is by virtue of a separate provision in the Social Security Benefit (Persons Abroad) Regulations 1975.

One-parent Families

Sir William Clark asked the Secretary of State for Social Services what was the number of one-parent families in Great Britain, differentiating between widows and widowers, divorcees and others.

Mr. John Patten: Taking account of results from the 1981 census and information from the general household survey for the years 1981-83 the best available estimates of the numbers of one-parent families in Great Britain are as follows:

	1982 (thousands)
Lone mothers:	
single	180
widowed	120

	1982 (thousands)
divorced	350
separated	180
Lone fathers	100
	930

Patient Treatment (Rugby)

Mr. Pawsey asked the Secretary of State for Social Services how many patients were treated in the Rugby district health authority area in 1984; and how that figure compares with each year since 1979.

Mr. John Patten: Information on individual patients treated is not available centrally. Available information on the main patient services is given in the table.

*Rugby District Health Authority**

	1979	1980	1981	1982	1983	†1984
NHS hospitals						
In-patient cases	7,812	7,955	8,136	8,440	8,982	9,244
Day cases	426	477	581	635	749	827
New out-patient attendances	11,922	11,904	11,629	12,136	12,774	12,732
Total out-patient attendances	49,745	50,271	48,438	49,722	52,842	54,087
New accident and emergency attendances	16,425	16,850	17,456	18,297	18,354	18,527
Total accident and emergency attendances	22,950	21,716	22,537	25,487	27,079	27,768
Community health services						
Health visitors: Total first visits	‡	‡	‡	6,641	6,429	‡
Home nurses: Persons treated	‡	‡	‡	4,157	3,974	‡
Number of children under 5 who attended Child Health Clinics	‡	‡	‡	3,225	3,193	‡

* Rugby Health District prior to 1 April 1982.
† Provisional.
‡ Not available.

Limited List Prescribing

Mr. Latham asked the Secretary of State for Social Services (1) whether he will reinstate fabrol granules on the limited list in the interest of patients with chronic bronchial problems for whom the products currently on the list have proved to be inadequate;

(2) whether he will reclassify the status of bromhexine with regard to the limited list; which non-inhalational mucolytics are currently available on the limited list; and whether he will add bisolvon elixir or tablets to the limited list.

Mr. Kenneth Clarke: The advice of the Government's Chief Medical Officer's group of independent medical and pharmaceutical experts was that Fabrol granules, Bisolvon tablets and elixir (bromhexine hydrochloride) and other similar mucolytic agents were of no established therapeutic value and so should be removed from NHS prescription.

There is a difference of opinion within the medical profession on the value of this group of drugs in the treatment of chronic bronchitis. We are making arrangements for the committee which will review the selected list to consider these drugs at its first meeting. We shall announce details of the committee soon.

District Health Authorities

Mr. Barron asked the Secretary of State for Social Services if he will arrange district health authorities in order of listing upon dividing the revenue expenditure, as contained in the 1983-84 annual statutory accounts, of each district health authority in England by the population figures for each district.

Mr. Kenneth Clarke: I shall let the hon. Member have a reply as soon as possible.

Social Security Review

Mrs. Beckett asked the Secretary of State for Social Services how many households will lose housing benefit completely as a result of the upratings announced in the House on 18 June.

Mr. Newton: I shall let the hon. Member have a reply as soon as possible.

DEFENCE

Trident Submarines (Communications)

Mr. Andrew F. Bennett asked the Secretary of State for Defence what discussions have been held with the United States Government about using existing or planned Navstar satellites for communication with United States Trident submarines and to control their missiles; and how the problem of independent United Kingdom control has been approached.

Mr. Stanley: There are no plans to use Navstar satellites for the purposes to which the hon. Member refers. I also refer him to the reply given by my right hon. Friend the Minister of State for Defence Procurement to the right hon. Member for Manchester, Gorton (Mr. Kaufman) on 21 March at column *578*.

Mr. Andrew F. Bennett asked the Secretary of State for Defence for how long it is expected that communications with Trident submarines and control of their missiles would be dependent on the system now being used to communicate with Polaris submarines; and how far dependence on existing systems would restrict the operating range of the Trident submarines.

Mr. Stanley: The communications systems to be used with Trident for the foreseeable future are essentially those which are currently used with the Polaris submarines. This will not prevent the Trident submarines from making full

use of their maximum operating range. We have however retained the option of incorporating additional new communications facilities where design and production dates allow.

Policing

Mr. Hancock asked the Secretary of State for Defence what is the current establishment of his Department's police; how many are currently in post; and if he will provide a breakdown by rank.

Mr. Lee: The current figures for the Ministry of Defence police are as follows:

	Establishment	*Strength*
Chief Constable	1	1
Deputy Chief Constable	1	1
Assistant Chief Constable	5	5
Chief Superintendent	7	7
Superintendent	19	19
Chief Inspector	50	51
Inspector	171	154
Sergeant	655	635
Constable	3,500	3,350
	4,409	4,223

Mr. Hancock asked the Secretary of State for Defence when private security firms were first employed by his Department; in what numbers; and what was the cost involved.

Mr. Lee: Private security firms were first employed by the Department in 1978. Contracts for guarding duties are currently in force at some 10 locations. The total value of the contracts involved is approximately £1·1 million.

Mr. Hancock asked the Secretary of State for Defence how many police were recruited by his Department in each of the last two years.

Mr. Lee: During the last two financial years the following officers were recruited to the Ministry of Defence police:

	Number
1983-84	334
1984-85	396

Between 1 April and 31 May 1985 a further 116 officers have been recruited.

Mr. Hancock asked the Secretary of State for Defence if he will make a statement on the current review of the role of his Department's police; when the review will be completed; if he will publish a summary of the results; and if he will make a statement.

Mr. Lee: My right hon. Friend the Minister of State for Defence Procurement announced the current review of the role, composition and size of the Ministry of Defence police on 21 December 1984 at column *377*.

The review committee uner the chairmanship of Sir Ewen Broadbent has beenmeeting regularly since 4 January 1985 to take evidence from a wide range of interested parties and this process will be completed shortly.

The committee plans to report on its findings in the early autumn and I am sure that my right hon. Friend, the Secretary of State for defence will consider publication if appropriate.

Mr. Hancock asked the Secretary of State for Defence why private security firms are being used to guard Eastney barracks in Portsmouth; and if he will make a statement.

Mr. Lee: The use of a commercial guard force at the Royal Marines barracks, Eastney is in line with Government policy to put work to the private sector wherever this can be done without adverse operational of financial consequences. The guard duties are performed in accordance with the appropriate Government guidelines and there is no adverse affect on security.

Mr. Hancock asked the Secretary of State for Defence if he will make a statement on the standard of performance of his Department's police in executing their duties.

Mr. Lee: Over the past three years there have been significant changes in the commitments which the Ministry of Defence police has been required to meet, particularly in the need for increased protection at defence establishments. The force has responded to these changes with patience, tact and good humour and its officers continue to perform their often difficult and onerous duties, frequently away from their home stations, in exemplary fashion and to their usual high standards.

Royal Ordnance plc

Mr. Douglas Hogg asked the Secretary of State for Defence if he will identify all designs in weapons systems rights, now possessed by Royal Ordnance plc and formerly possessed by the Royal Ordnance factories.

Mr. Butler: The rights referred to were transferred to Royal Ordnance plc by a scheme made under section 1 of the Ordnance Factories and Military Services Act 1984.

The details now sought have not been published in full as I consider that disclosure would be contrary to national security or to the commercial interests of Royal Ordnance plc.

Written Answers to Questions

Wednesday 26 June 1985

NATIONAL FINANCE

EC (Budget Discipline)

84. **Mr. Gould** asked the Chancellor of the Exchequer if the next European Economic Community Council meeting will further consider the financial guidelines for budget discipline.

Mr. Ian Stewart: Yes. The 1986 reference framework is on the agenda for the July ECOFIN.

Worker Co-operatives

Mr. Bob Edwards asked the Chancellor of the Exchequer if he will bring forward measures to allow worker co-operatives, registered under industrial and provident society legislation, access to profit-sharing tax concession schemes on the same basis as small companies; and if he will make a statement.

Mr. Moore: I refer the hon. Member to the statement I made during the Committee stage debates on clause 43 of the Finance Bill, in *Standing Committee B*, on 4 June 1985, at columns 350-56.

THE ARTS

Arts Council

Mr. Tony Banks asked the Parliamentary Under-Secretary of State answering in respect of the Arts what negotiating machinery exists between the Arts Council of Great Britain and the trades unions with which it is involved.

Mr. Waldegrave [*pursuant to his reply*, 24 June 1985, c. *319*]: The Arts Council recognises two unions, the Association of Supervisory, Technical and Management Staff and the Civil Service Union, both of which attend the council's joint negotiating committee.

Mr. Tony Banks asked the Parliamentary Under-Secretary of State answering in respect of the Arts if he will state the qualifications of Mr. Ronald Grierson to be a member of the Arts Council of Great Britain.

Mr. Waldegrave [*pursuant to his reply*, 24 June 1985, c. *319*]: Mr. Grierson is eminently qualified for membership of the Arts Council, by reason of his personal qualities and his experience of the financing of artistic organisations.

WALES

Independent Schools

Mr. Andrew F. Bennett asked the Secretary of State for Wales how many independent schools there are in Wales; and what information he has as to how many children attend them, as to the proportion of the total school population this represents, and as to the comparable figures for each of the last five years.

Mr. John Stradling Thomas: The information is as follows and refers to 1 January for each year:

	**1980*	*1981*	*1982*	*1983*	*1984*
Number of independent schools	71	72	71	73	70
Number of full-time and part-time pupils	12,703	12,795	12,348	11,247	11,427
Pupils as a proportion of total school population (%)	2·3	2·3	2·3	2·3	2·2

* Figures include information on 3 direct grant schools, which, from 1980-81 became independent.

Mr. Andrew F. Bennett asked the Secretary of State for Wales how many pupils attend independent school sixth forms in Wales; and what proportion of the total number of sixth form pupils in Wales this represents.

Mr. John Stradling Thomas: Information on the number of pupils in the sixth forms of independent schools is not collected centrally. The number of pupils at independent schools in January 1984, who were aged 16 and over at the beginning of the school year, total 1,576. This number represented 6·6 per cent. of pupils aged 16 and over at all maintained secondary and independent schools.

ENVIRONMENT

Merseyside County Council

Mr. Alton asked the Secretary of State for the Environment if he will make a statement on Merseyside county council's current financial position and its anticipated overspend of £13 million above its rate-capped ceiling.

Mr. Patrick Jenkin: Merseyside county council fixed its budget and precept for 1985-86 on 7 March. It is for it to keep spending within available income.

Bird Conservation

Dr. Cunningham asked the Secretary of State for the Environment whether his Department has received from the European Commission any documents listing sites in the United Kingdom of importance for bird conservation.

Mr. Patrick Jenkin: My Department has received from the EC a substantial volume of documentation containing a wide variety of information on habitats of particular importance to the conservation of birds and other wildlife. This has facilitated the identification of some 151 sites which meet the criteria for listing as special protection areas under the EC birds directive and 129 sites which qualify for designation as wetlands and international importance under the Ramsar convention.

The speed of listing or designation, as the case may be, depends on progress on the SSSI renotification programme. We now expect to be able substantially to complete this programme by the end of 1986, and in the meantime I am discussing with the Nature Conservancy

Council possible ways of speeding up progress on listing special protection areas under the EC birds directive and designating sites under the Ramsar convention.

Enterprise Zones

Mr. John David Taylor asked the Secretary of State for the Environment how many jobs were created at each of the enterprise zones in the United Kingdom during 1984.

Sir George Young: My Department has completed a report on ctivity, including employment, last year in enterprise zones in England, Scotland and Wales. Arrangements are being made for the report to be published shortly. Copies of the published document will then be placed in the Library of the House. A separate report on the zones in Northern Ireland will be completed later in the year.

Planning Control

Mr. McCrindle asked the Secretary of State for the Environment if he will introduce legislation prohibiting any building from taking place in cases where planning permission is necessary until full planning permission has been obtained; and if he will make a statement.

Mr. Macfarlane: Local planning authorities already have adequate powers to deal with breaches of planning control and may require the demolition of buildings erected without permission if they consider such a course appropriate.

Devon County Council (Grant Penalty)

Mr. Hannam asked the Secretary of State for the Environment if he will make it his policy, when assessing the possible liability to grant penalty of Devon county council, to disregard any expenditure in excess of its target occasioned by the cost of repairing roads damaged by the severe weather conditions in 1984-85.

Mr. Waldegrave: My right hon. Friend is considering the representations to that effect which he has received from Devon county council.

Local Authority Expenditure

Mr. Watson asked the Secretary of State for the Environment what forecast he has made of local authority capital expenditure in England in 1985-86; and if he will make a statement.

Mr. Patrick Jenkin: From returns submitted by local authorities, I estimate that net expenditure on services covered by the main cash limit will be in the range £1,850 million-£2,750 million compared with the cash limit of £1,911 million. Expenditure by local authorities on the urban programme and derelict land reclamation is likely to be within the total of £279 million, which is the local authority element of the urban aid cash limit.

I am concerned that there is again the prospect of an overspend against the main cash limit. This underlines the importance of the review which we are conducting with the local authority associations to find an improved system of control.

I announced in the House on 18 December 1984, at column 165, that there would be no corrective action provided that outturn appeared likely to be within 5 per cent. of the cash limit (that is up to approximately £2,000 million). I recognise that authorities had to complete the recent returns at a very early stage and that there is still a considerable degree of uncertainty about the prospects for the year's outturn. I do not wish to cause unnecessary disruption to authorities' capital programmes when the figures are still so uncertain, and I propose no action at present. I shall continue to monitor the situation. If in the event there is an overrun on the cash limit it would be met from the reserve of £5 billion and would not add to the planned total of public expenditure.

SOLICITOR-GENERAL FOR SCOTLAND

Fishing (Offences)

Dr. Godman asked the Solicitor-General for Scotland how many persons have been proceeded against for offences relating to illegal fishing at sea in each of the past five years; of what nationality were these persons; and what was the average penalty imposed.

The Solicitor-General for Scotland: The information is contained in the table. Average penalties are not shown, but a range of penalties has been given in each year.

Year	*Number of prosecutions*	*Number of offenders**	*Range of penalties†*	*Nationality*					
				UK	*Danish*	*Spanish*	*French*	*Faeroese*	*Norwegian*
1980	30	32	Admonished to £18,000	29	0	2	1	0	0
1981	51	74	Admonished to £6,000	61	9	1	2	0	1
1982	37	65	Admonished to £5,000	63	2	0	0	0	0
1983	36	50	Admonished to £10,000	38	10	2	0	2	0
1984	37	52	Admonished to £11,500	46	0	5	0	1	0

* This number includes masters and owners.

† Fisheries offences attract a wide range of penalties and the maximum penalties given include the value of gear and catches.

SCOTLAND

Grampian Health Board

Mr. Malone asked the Secretary of State for Scotland how many buildings are used by Grampian health board for administrative purposes; and what is the current estimate of their capital value.

Mr. John MacKay: The Grampian health board currently uses 10 buildings exclusively for administrative purposes. Their capital value is a matter for the board in the first instance.

Asbestos (Glasgow)

Mr. MacKenzie asked the Secretary of State for Scotland what reply he has given to the Whitlawburn tenants' association on the problem of financing the removal of asbestos from houses owned and managed by Glasgow district council.

Mr. Ancram: My right hon. Friend has received two recent letters from the association on this subject. They are currently being considered and a reply will be sent very shortly.

Compulsory Purchase Order (Markinch)

Mr. Willie W. Hamilton asked the Secretary of State for Scotland if he will make a statement on the progress made in dealing with Kirkcaldy district council's application for a compulsory purchase order made on 7 November 1984 concerning land in Markinch, Fife.

Mr. Ancram: Objections have been made against the order and have not been withdrawn. A public local inquiry is likely to be held in September.

Scottish Women's Aid

Mr. Wilson asked the Secretary of State for Scotland what has been the total amount in grant allocated to Scottish Women's Aid in *(a)* 1983-84, *(b)* 1984-85 and *(c)* in the present financial year.

Mr. John MacKay: Grants made to Scottish Women's Aid for current expenditure, including the expenses of the children's worker and the training liaison officer, amounted to £54,259 in 1983-84 and £58,370 in 1984-85. In 1984-85 additional grants of £3,776 were made for certain minor capital items. The level of grant to be offered for the present financial year will be decided soon.

Health Budget

Mr. Wilson asked the Secretary of State for Scotland what proportion of the United Kingdom health budget was spent in Scotland in 1983-84 and in 1984-85.

Mr. John MacKay: Gross expenditure on the health programme in Scotland represented 11 per cent. of total expenditure on health in the United Kingdom in 1983-84 and in 1984-85. The proportion for 1984-85 is derived from provisional figures for outturn expenditure in that year.

Mentally Handicapped People

Mr. Wilson asked the Secretary of State for Scotland what progress has been made since 1982 in reaching the target figure recommended in the Peters report of 0·6 community places per 1,000 population for mentally handicapped persons.

Mr. John MacKay: Provision as at 31 March 1984 was equivalent to 0·32 places per 1,000 population as against 0·26 at 31 March 1982. The breakdown of places is as follows:

Homes for the Mentally Handicapped Bed Complement

	1982	*1984*
Local authority homes	707	741
Registered homes	535	676
Other homes known to social work departments	109	248
Total	1,351	1,665

Note:
1. Figures for 1982 are contained in Social Work Services Group Statistical Bulletin "Residential Accommodation for the Elderly and Certain Other Adults, 1982". Copies of the bulletin are available in the Library.
2. Figures for 1984 are provisional pending publication.

Age Concern Scotland

Mr. Wilson asked the Secretary of State for Scotland what level of grant was paid by his Department to the organisation Age Concern Scotland in 1984-85 and in the present financial year.

Mr. John MacKay: Grants made available to this organisation in 1984-85 for the provision of services to the elderly in a variety of fields amounted to £106,587. Similar grants amounting to £125,362 have been made available in 1985-86 so far and applications for two additional projects are still under consideration.

Rates

Lord James Douglas-Hamilton asked the Secretary of State for Scotland what action he intends to take following his meeting with Edinburgh district council on 17 June regarding the application of the rate limitation policy to Edinburgh.

Mr. Younger: I intend to lay before Parliament in the week commencing 1 July a report seeking approval to a reduction of 5·2p in the rate of Edinburgh district council.

Youth Training Scheme

Mr. Gordon Brown asked the Secretary of State for Scotland if he will list for Fife and each region of Scotland and Britain the number of youth training scheme places authorised for 1984-85, the numbers available and the proportion of available places of those authorised.

Mr. Allan Stewart [*pursuant to his reply*, 11 June 1985, c. *423*]: Information in the form requested could be produced only at disproportionate cost. In particular, the computerised management information for the youth training scheme does not provide details of the number of available places. The table gives the number of YTS places planned and approved in 1984-85 for each local authority region in Scotland and each Manpower Services Commission administrative region in Britain.

Scottish Regions and Island Areas	Planned	Approved	Approved/ Planned*
Borders	495	578	117
Lothian	5,510	5,025	91
Central	2,750	3,072	112
Fife	2,790	2,950	106
Strathclyde	23,528	22,119	94
Dumfries and Galloway	1,143	1,038	91
Grampian	2,132	2,080	98
Tayside	3,294	2,902	88
Highland	1,629	1,400	86
Orkney	176	150	85
Shetland	107	100	93
Western Isles	235	200	85
MSC Regions of GB			
Scotland	43,791	41,614	95
Northern	25,910	25,655	99
North West	56,845	55,038	97
Yorkshire and Humberside	38,985	40,016	103
Midlands	93,007	82,601	89
Wales	22,891	22,630	99
South West	31,382	30,166	96
South East	68,689	67,582	98
London	31,504	31,461	100
Great Britain	413,004	396,763	96

* Percentage.

HOME DEPARTMENT

Prison Officers Association

Mr. Batiste asked the Secretary of State for the Home Department what is his policy concerning consultation with the Prison Officers Association.

Mr. Mellor: The association is consulted, whenever possible and appropriate, either ad hoc or through the Whitley council arrangements.

Domestic Fires

Mr. Alton asked the Secretary of State for the Home Department what information he has as to the proportion of domestic fires caused by faulty or old electric wiring and as to the estimated loss in housing stock, cost to the fire brigade and loss of life caused by such fires.

Mr. Giles Shaw: Information is available on the number of fires in dwellings attended by fire brigades for which a fault in fixed mains electrical wiring is recorded as the source of ignition. In 1983 there were 2,016 such fires in the United Kingdom—3·5 per cent. of all fires in dwellings—which resulted in 14 deaths. Information for 1984 is not yet available. Information is not available centrally on the loss in housing stock from these fires, or on the cost to fire brigades of attending these fires.

Drugs Squads

Mr. Alton asked the Secretary of State for the Home Department what was the strength of the drugs squad for each police force in England and Wales for each of the last 10 years for which figures are available.

Mr. Giles Shaw: Figures are readily available only for the two previous years and are given in the table. The responsibilities of drugs squads vary between forces and the figures are therefore not necessarily directly comparable.

Force	1 January 1984	1 January 1985
Avon & Somerset	25	25
Bedfordshire	7	8
Cambridgeshire	7	9
Cheshire	8	14
Cleveland	10	13
Cumbria	3	10
Derbyshire	10	10
Devon & Cornwall	21	24
Dorset	12	11
Durham	7	8
Essex	7	8
Gloucestershire	9	10
Greater Manchester	21	22
Hampshire	23	25
Hertfordshire	5	10
Humberside	14	14
Kent	14	11
Lancashire	28	32
Leicestershire	11	13
Lincolnshire	8	8
London, City of	—	—
Merseyside	11	14
Metropolitan Police	38	38
Norfolk	8	9
Northamptonshire	5	5
Northumbria	14	15
North Yorkshire	10	11
Nottinghamshire	13	13
South Yorkshire	17	17
Staffordshire	12	12
Suffolk	12	13
Surrey	6	6
Sussex	18	21
Thames Valley	18	18
Warwickshire	8	8
West Mercia	18	18
West Midlands	37	43
West Yorkshire	29	29
Wiltshire	7	6
Dyfed Powys	9	9
Gwent	7	7
North Wales	8	11
South Wales	23	22
Total	578	630

Burglaries (Merseyside)

Mr. Alton asked the Secretary of State for the Home Department if he will list the number of burglaries committed on Merseyside over each of the past 10 years.

Mr. Mellor: The information available centrally for Merseyside police force area is published annually in "Criminal Statistics, England and Wales" (table 2.4 of the volume for 1983, Cmnd. 9349). Corresponding figures for 1984 were published in a Home Office statistical bulletin, issue 6/85, on 12 March 1985.

Street Lighting

Mr. Peter Bruinvels asked the Secretary of State for the Home Department if he will allocate funds for street lighting within the budget for crime prevention of the Metropolitan police; and if he will make a statement.

Mr. Giles Shaw: No. We understand from the Commissioner of Police of the Metropolis that regular discussions take place at divisional level with councils about changes in the environment, including improvements to street lighting, designed to reduce the opportunities for crime. We also understand that crime

prevention panels and community-police consultative groups have initiated similar discussion with councils in the Metropolitan police district.

Foreign Nationals

Mr. Peter Bruinvels asked the Secretary of State for the Home Department what information he has as to the number of foreign nationals and other foreign representatives, excluding diplomats, currently residing within the United Kingdom; if he will give the comparable figures for each of the last five years; and if he will make a statement.

Mr. Waddington: It is estimated from the labour force surveys that about 1·6 to 1·7 million foreign and Commonwealth citizens were usually resident in Great Britain in the period 1979-83. Information for later years and for Northern Ireland is not available.

Coal Industry Dispute

Mr. Kaufman asked the Secretary of State for the Home Department if he is yet in a position to indicate the financial costs incurred by the Metropolitan police in their role in policing the miners' strike; and if he will make a statement.

Mr. Giles Shaw: The additional costs incurred by the Metropolitan police in providing mutual aid to other police forces in connection with the miners' dispute are estimated at £16·5 million. These costs fall to be met by the aided forces and almost £10 million has been paid to date. Discussions on repayment of the balance are currently taking place with the police authorities concerned.

TRADE AND INDUSTRY

Radio Stations (Licence Fees)

Mr. Fry asked the Secretary of State for Trade and Industry (1) what estimate he has made of the implications for the civil radio market of proposals to raise the licence fees of radios at outstations owned by water authorities; and if he will make a statement;

(2) what consultations have taken place between the radio regulatory division of his Department and water authorities on proposals to raise the licence fees of radios at outstations owned by water authorities; and if he will make a statement;

(3) by how much he proposes to increase licence fees for radios at outstations owned by water authorities; and what percentage this amount represents;

(4) what plans he has to raise the licence fees of radios at outstations owned by water authorities; and if he will make a statement;

(5) what estimate has been made of the increase in costs to water authorities of the proposals to raise the licence fees of radio stations at outstations owned by water authorities; and if he will make a statement;

(6) what estimate he has made of the likely effect on water authorities of proposals to raise the licence fees of radios at outstations owned by water authorities; and if he will make a statement.

Mr. Butcher: I have no immediate plans to alter Wireless Telegraphy Act fees, but it is now two years since levels were last amended and my officials will shortly be putting proposals to me for increases in most licence fees. The possibility of fees rising has been discussed in the Department's consultative forum on radio link matters, which includes representatives of the water authorities and manufacturers.

It is the Government's intention that WT licence fees should both cover the direct licensing and, where appropriate, frequency assignment costs and also make a contribution to the costs incurred by my Department on wide spectrum management, including representation at international radio conferences. Certain licence types meet this requirement; others do not. In the case of 'scanning telemetry links at water authority outstations, we are aware that the current very low fee falls far short of covering the costs, bearing in mind the engineering effort involved. This has to be rectified. Indeed, it may be appropriate in due course to bring this licence fee more directly in line with the standard fee charged for a radio fixed link. It must be recognised that for water authorities and for many other users the licence fee is only a small fraction of the cost of radio equipment and of little significance when set against the economic benefit to the users of radio. I shall bear in mind all the points raised by my hon. Friend in considering any proposals for increased licence fees.

EC Councils (Industry and Research)

Mr. Moynihan asked the Secretary of State for Trade and Industry if he will make a statement on the outcome of the European Community Councils of Industry Ministers on 3 June and of Research Ministers on 4 June.

Mr. Butcher: The Industry Council, at which I represented the UK, was the first to deal predominantly with telecommunications. It provided a valuable opportunity to exchange views on the progress of the Community's telecommunications initiative including standards policy and a draft directive on the mutual acceptance of test data for the type approval of telecommunicationss terminal equipment; intergovernmental video-conferencing; and, in preparation for the Research Council the following day, "RACE" (R and D in advanced communication technologies for Europe). We also discussed television broadcasting by satellite.

We agreed in principle that the Community should petition the United States for legal protection against the copying of semiconductor chip designs originated in the Community. I welcomed a report recommending changes to remove competitive disadvantages experienced by the biotechnology industry as a result of Community agricultural regimes, and it was agreed that these changes should be referred to Agriculture Ministers for urgent consideration.

The Research Council, at which the UK was represented by Sir Robin Nicholson (chief scientific adviser), reached a substantial degree of agreement on draft conclusions covering a package of measures including the terms on which the definition phase of RACE should proceed; procedures for considering wider European participation in large research facilities, including the spallation neutron source at the Rutherford Appleton laboratory; the site for the European synchrotron radiation facility; and the establishment of a tritium handling laboratory at the European Communities' joint research laboratory at Ispra in Italy. Final adoption of the conclusions was, however, deferred pending further

consideration by France and the UK of their long-standing reservations on the tritium proposal in the context of the overall package now proposed. The UK has subsequently been able to lift its reserve.

Frames Travel (Takeover)

Mr. Fry asked the Secretary of State for Trade and Industry if he will refer the takeover bid by Thomas Cook Ltd. for the Frames Travel Agent chain of shops to the Monopolies and Mergers Commission; and if he will make a statement.

Mr. Fletcher: The question of a reference arises only if any such bid involves the acquisition of assets in excess of £30 million or the creation or enhancement of a market share of 25 per cent. or more. If it does, my right hon. Friend will decide whether to make a reference in the light of the advice of the Director General of Fair Trading.

British Telecom

Mr Gordon Brown asked the Secretary of State for Trade and Industry what is his latest figure for the number of shareholders in British Telecom and for the number of shareholders who have sold their shares since the company's flotation.

Mr. Butcher [*pursuant to his reply*, 24 June 1985, c. *279*]: I am told that British Telecom had about 1·69 million shareholders as at 31 May. I understand that the company intends to provide an analysis of shareholders by classification of shareholder and size of holding in its report and accounts for 1984-85, which are due to be published on 18 July.

Silver Plate (Exports)

Mr. Cohen asked the Secretary of State for Trade and Industry if he will give the amount of imports to the United Kingdom from EC countries for electro-plated nickel silver for the last five years for which figures are available; and whether there are any restrictions on exports of electro nickel plated silver from the United Kingdom to EC countries.

Mr. Fletcher [*pursuant to his reply*, 25 June 1985, c. *346*]: Electro-plated nickel silver (EPNS) goods are not separately identified in the UK *Overseas Trade Statistics*. There are no restrictions on exports of EPNS products from the UK to other EC countries.

Limited Companies

Mr. Dickens asked the Secretary of State for Trade and Industry if he is satisfied with the structure and safeguards for the public in the formation of limited companies in the United Kingdom where directors and nominated shareholders are resident overseas and subject to a different legal framework; and if he will make a statement.

Mr. Fletcher [*pursuant to his reply*, 25 June 1985, c. *346*]: I see no reason why shareholders (or those who act on their behalf) and directors of companies registered in Great Britain should necesarily reside here. But if my hon. Friend has any specific reasons for recommending a change in the law consistent with our international obligations I would be interested to learn of them.

EMPLOYMENT

Youth Training Scheme

Mr. Pike asked the Secretary of State for Employment how many youth training scheme places were identified and supported in the Burnley travel-to-work area and the county of Lancashire during the last month for which statistics are available.

Mr. Peter Morrison: In 1984-85 there were 1,341 approved youth training scheme places in the Burnley travel-to-work area and 9,043 in the county of Lancashire. The corresponding number of places planned for 1985-86 is 1,293 and 9,163 respectively.

At the end of May 1985 there were 825 young people in training in the Burnley travel-to-work area and 6,020 in the county of Lancashire.

Mrs. Renée Short asked the Secretary of State for Employment if he will list the number of companies located in the west midlands region which are presently employing young people within the framework of the youth training scheme.

Mr. Peter Morrison [*pursuant to his reply*, 19 June 1985, c. *194*]: There are currently some 250 mode A (that is employer-based) progammes which have young people taking part as employees under the youth training scheme in the West Midlands region.

Training

Mr. Sheerman asked the Secretary of State for Employment what was the level of Exchequer support for apprenticeships at current and at constant prices in each of the years from 1964 to 1985.

Mr. Peter Morrison [*pursuant to his reply*, 24 June 1985, c. *315-16*]: Information is not available for the financial years 1964-65 to 1974-75. Between 1975-76 and 1982-83, support was provided in the form of premium grants for first-year apprentices and grants for award holders, as well as support for redundant apprentices and unplaced award holders, as follows:

Year	*At cash price* £ million	*At constant price (1983-84 base)** £ million
1975-76	18·9	43·9
1976-77	36·0	77·2
1977-78	38·9	73·3
1978-79	37·8	64·5
1979-80	24·0	35·0
1980-81	33·2	40·8
1981-82	36·0	40·2
1982-83†	38·7	40·5

Since September 1983 substantial support for long duration training including apprenticeships has been provided through the youth training scheme. It is not possible to identify the direct level of Exchequer support on a comparable basis with the table given above.

Notes: * Prices adjusted by the GDP Deflator.

† For financial years 1983-84 and 1984-85, expenditure covering residual payments for apprentice training under these schemes which commenced prior to September 1983, and continued support for redundant apprentices, was as follows:

Year	At Cash Price	At Constant Price (1983-84 base)
	£ million	£ million
1983-4	20·3	20·3
1984-5	3·2	3·1

HOUSE OF COMMONS

Telephone System (Cost)

Mr. Peter Bruinvels asked the Lord Privy Seal what is the estimated cost of providing and installing the new telephone system within the Palace of Westminster.

Mr. Biffen: The total cost, including the provision of new handset equipment, is estimated at £2·037 million, of which 81 per cent. (£1·65 million) is to be borne by the House of Commons.

Health and Safety Committee

Mr. Alfred Morris asked the Lord Privy Seal if he will seek to facilitate the setting up of a health and safety committee in the Palace of Westminster to include representation of the trade unions with membership employed in the Palace; and if he will make a statement.

Mr. Biffen: A safety committee comprising representatives of management and staff of the House of Commons was first set up in 1976 and continues to meet regularly under the chairmanship of the Deputy Assistant Serjeant at Arms.

Visual Display Units

Mr. Alfred Morris asked the Lord Privy Seal if any research is being undertaken into the effects on people employed in the Palace of Westminster who work with visual display units for more than three hours a day; if there are any plans to introduce guidelines for using them safely; and if he will make a statement.

Mr. Biffen: In this, as in other matters, the House of Commons seeks to maintain standards broadly in line with the Civil Service, and it follows the relevant guidelines from the Cabinet Office (MPO), Her Majesty's Treasury Central Computer and Telecommunications Agency and the Civil Service Medical Advisory Service in the light of their research into the effects of working with VDUs. The guidance issued jointly by the Central Computer and Telecommunications Agency and the Council of Civil Service Unions entitled "The Human Factors associated with the use of Cathode Ray Visual Display Units" was distributed to all Heads of Departments in November 1983. Everything possible is done to ensure that VDUs are sited correctly and that ergonomic factors are fully taken into account, including where relevant the provision of special furniture and screen filters. There is also a system of voluntary eye tests provided by the Nursing Sister for those employed or to be employed on VDUs.

AGRICULTURE, FISHERIES AND FOOD

Herons (River Avon)

Mr. Kilroy-Silk asked the Minister of Agriculture, Fisheries and Food whether he has now received a report on the cause of the deaths of 14 herons on the River Avon near Evesham; and whether he is taking any action in relation to the incident.

Mrs. Fenner: Recent reports of the death of 14 herons along the River Avon near Evesham, are at present being investigated by MAFF in consultation with ITENCC, RSPB and the Severn Trent water authority. It is not yet possible to draw any firm conclusions about the likely causes of death until MAFF laboratory studies and the present Severn Trent water authority water sampling programme have been completed.

Exports

Mr. Maclean asked the Minister of Agriculture, Fisheries and Food what information he has as to the figures in actual value and percentage terms of agricultural product exports from each of the EC countries over the last five years.

Mrs. Fenner: Information on the value of agricultural exports is summarised in successive editions of the Commission's annual publication "The Agricultural Situation in the Community", copies of which are in the Library of the House. The following table provides the information requested for the years 1979 to 1983; comparable information for 1984 is not yet readily available.

*Total Agricultural Exports**

	1979		1980		1981		1982		1983	
	MECU	Per cent.	MECU	Per cent.	MECU	Per cent.	MECU	Per cent.	MECU	Per cent.
Germany	7,019	13·9	8,100	14·3	10,003	14·6	10,916	14·9	11,375	14·5
France	11,595	23·0	13,835	24·3	16,589	24·3	16,646	22·7	18,590	23·7
Italy	4,373	8·7	4,180	7·4	5,335	7·8	5,829	7·9	5,876	7·5
Netherlands	10,897	21·6	12,000	21·1	14,477	21·2	16,008	21·8	17,141	21·9
Belgium/Luxembourg	4,220	8·4	4,749	8·4	5,763	8·4	6,296	8·6	6,550	8·4
United Kingdom	5,222	10·4	6,116	10·8	7,296	10·6	7,757	10·6	7,972	10·2
Ireland	2,032	4·0	2,316	4·1	2,425	3·5	2,596	3·5	2,830	3·6
Denmark	4,099	8·1	4,494	7·9	5,367	7·9	5,957	8·1	6,272	8·0
Greece	916	1·8	1,033	1·8	1,093	1·6	1,370	1·9	1,765	2·3
Total of member states	50,373	100	56,823	100	68,348	100	73,375	100	78,371	100

* Including exports to other Community countries. Products covered are SITC, headings, 0, 1, 21, 22, 232, 24, 261-265 + 268, 29, 4, 592·11 + 592·12.

Butter

Mr. Maclean asked the Minister of Agriculture, Fisheries and Food if he will reconsider his decision over delayed payments for butter taken into intervention.

Mr. MacGregor: Although milk production has fallen since the introduction of quotas, United Kingdom public intervention stocks of butter now amount to 170,000 tonnes as compared with 143,000 tonnes a year ago. I would not want to take steps which could add to these and reduce the incentive to find real market outlets. Producers have this year received a 1·5 per cent. rise in the target price for milk and a cut of a percentage point in the co-responsibility levy.

Aujeszky's Disease

Mr. Maclean asked the Minister of Agriculture, Fisheries and Food if he will reconsider his decision over the level of Government funding for eradication of Aujeszky's disease.

Mrs. Fenner: We described very fully to producers' representatives our views on Government funding for the Aujeszky's disease control and eradication scheme as recently as 17 June. There are no grounds for changing our decision.

Mr. McQuarrie asked the Minister of Agriculture, Fisheries and Food what evidence he has for his statement in response to the Agriculture Committee's third report on Aujeszky's disease to the effect that the benefits of the eradication policy are already being felt in terms of improved health in the national pig herd, and that there are likely to be increased export opportunities.

Mrs. Fenner: There is an absence of costly clinical manifestations of disease and a marked reduction in the number of infected herds being found. The diminution in incidence of disease is reflected in a reduction in its cost to the industry through fattening delays and other factors. With increased control of the disease, it is reasonable to expect facilitation of exports.

Mr. McQuarrie asked the Minister of Agriculture, Fisheries and Food (1) what is his Department's latest estimates, with confidence limits, of the present number of pig units containing one or more Aujeszky's sero-positive pigs in Great Britain, by herd type, size and region; and if he will make a statement;

(2) when he expects the eradication of Aujeszky's disease to be complete in Great Britain; and what is his latest estimate of the prospective costs to the industry and the Treasury.

Mrs. Fenner: As we have made clear on a number of occasions, it is not possible to forecast when any control and eradication scheme will attain complete freedom from disease. Aujeszky's disease is among the more difficult upon which such a forecast can be made. We are vigorously pursuing through sow serum surveys and by other means the detection of remaining infection.

Costs to the industry so far, made up of compensation for slaughter and related costs, compensation for disruption, and interest charges, less the salvage value of slaughtered animals, are about £22·8 million. Over £8·5 million has been collected through the levy and the remainder represents the PDEF overdraft. In addition, the Government have spent about £3·2 million in staff and laboratory costs which has not been charged to the industry. Additional costs under the scheme will depend on the extent of remaining infection not yet found.

Mr. McQuarrie asked the Minister of Agriculture, Fisheries and Food if he has any proposals to consult the representatives of the pig industry on any future procedural or financial changes in the Aujeszky's disease eradication scheme; and if he will make a statement.

Mrs. Fenner: I had a full discussion with representatives of the Pig Disease Eradication Fund Ltd. about the Aujeszky's disease programme on 17 June in the light of the Agriculture Committee's report and my reply to it. We should, of course, consult the industry if any proposals to amend the scheme were being considered.

FOREIGN AND COMMONWEALTH AFFAIRS

European Union

5. **Mr. Lambie** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on his recent proposals to European Economic Community Foreign Ministers concerning practical steps towards European union.

Sir Geoffrey Howe: Our ideas, based on those contained in "Europe—the Future"—copies of which are in the Library—include a timetable for completing the Common Market, measures to strengthen political co-operation, and practical steps to improve decision taking.

44. **Mr. Teddy Taylor** asked the Secretary of State for Foreign and Commonwealth Affairs if the proposals on European union will be discussed by the Council of Foreign Ministers at their next meeting; and if he will make a statement.

Mr. Rifkind: I refer my hon. Friend to the reply given to him by my right hon. Friend the Prime Minister on 25 June.

81. **Mr. Spearing** asked the Secretary of State for Foreign and Commonwealth Affairs if he will publish the suggestions made by Her Majesty's Government in respect of the Heads of Government working party (Dooge committee) on European union.

Mr. Rifkind: Where they differ from the views of others, United Kingdom suggestions are contained in footnotes to the report of the Ad Hoc Committee on Institutions, which has been published.

83. **Mr. Leighton** asked the Secretary of State for Foreign and Commonwealth Affairs if Parliament will be asked to approve the Dooge committee proposals before final decisions on them are taken in the EC.

Mr. Rifkind: I refer the hon. Member to the reply given by my right hon. Friend the Prime Minister to the right hon. Member for Strangford (Mr. Taylor) on 9 May 1985 at column 506.

Council of Foreign Ministers

7. **Mr. Roy Hughes** asked the Secretary of State for Foreign and Commonwealth Affairs what matters he will ask to be placed on the agenda of the next meeting of the Council of Foreign Ministers.

Mr. Rifkind: The next meeting of the Foreign Affairs Council will be held on 22 and 23 July. It is too early to say what items will be on the agenda, although follow-up to this week's European Council will be among them.

Space and Anti-ballistic Missiles (Soviet Research)

12. **Mr. Maclean** asked the Secretary of State for Foreign and Commonwealth Affairs whether his Department plans to take any steps to publicise the extent of Soviet research into space and new anti-ballistic missile weapons.

59. **Mr. Forman** asked the Secretary of State for Foreign and Commonwealth Affairs whether he will publish a report on the extent of Soviet research into space and anti-ballistic missiles.

Mr. Luce: The Soviet Defence Minister has recently admitted that the Soviet Union is conducting outer space research, including in the military sphere. Soviet activities in this field are extensive and long established, as I told my hon. Friend the Member for Norwich, North (Mr. Thompson) on 24 April, at columns 448-49. I am considering whether further information can be made available in the near future.

Mr. Raoul Wallenberg

14. **Mr. Sumberg** asked the Secretary of State for Foreign and Commonwealth Affairs if he will raise the case of Mr. Raoul Wallenberg at the human rights convention in Ottawa; and if he will make a statement.

Mr. Rifkind: Our delegation to the Ottawa meeting of human rights raised the case of Raoul Wallenberg during bilateral discussions with its Soviet counterpart. The response from the Soviet side was to reiterate their claim that Mr. Wallenberg had died in 1947.

Italy

18. **Mr. Cartwright** asked the Secretary of State for Foreign and Commonwealth Affairs when he next plans to meet the Foreign Minister of Italy; and if he will make a statement.

Sir Geoffrey Howe: I expect to meet my Italian colleague, Signor Andreotti, in Milan at the European Council on 28-29 June.

Sri Lanka

19. **Mr. Alton** asked the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with members of the Commonwealth on the situation in Sri Lanka.

Sir Geoffrey Howe: It is the convention, of course, that the Commonwealth does not discuss the internal problems of member states without the consent of the country concerned. We have none the less kept in close touch with the Government of Sri Lanka both before and after the visit there of my right hon. Friend the Prime Minister in April. We particularly welcome the recent discussions between the Governments of Sri Lanka and of India, with whom we have also maintained contact, and the announcement of a cease-fire in Sri Lanka on 18 June.

28. **Mr. Kilroy-Silk** asked the Secretary of State for Foreign and Commonwealth Affairs when he next intends to seek to visit Sri Lanka.

Sir Geoffrey Howe: I have at present no plans to do so.

69. **Mr. Freud** asked the Secretary of State for Foreign and Commonwealth Affairs how many applications for emigration to the United Kingdom have been received by the consulate in Sri Lanka over the last 12 months; and what proportion of these were in respect of Tamils.

Mr. Renton: Between May 1984 and May 1985 the high commission in Colombo received a total of 201 entry clearance applications for settlement in the United Kingdom. It is not possible to provide a breakdown of those from Tamils as, until 30 May 1985, applications were recorded on a basis of nationality only.

Chemical Weapons Talks (Geneva)

20. **Mr. Tom Clarke** asked the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with the United States Government about the chemical weapons talks in Geneva.

Mr. Luce: My right hon. and learned Friend is in regular contact with the United States Administration about the chemical weapons negotiations in Geneva, as over other aspects of arms control. When he saw Secretary Shultz in Lisbon during the recent meeting of the North Atlantic Council, they agreed on the need to press for the early conclusion of a comprehensive chemical weapons ban.

European Council of Ministers (Majority Voting)

21. **Mr. Home Robertson** asked the Secretary of State for Foreign and Commonwealth Affairs if he will list those areas in which the Government are prepared to accept the greater use of majority voting in the Council of Ministers.

Mr. Rifkind: Over 40 articles of the treaty of Rome already provide for majority voting, but the Council's practice has usually been to defer votes in the search for unanimity. We consider that British interest would be well served if votes were more regularly taken where the treaty so provides, subject to the right of member states to insist that discussion is continued where very important national interests are at stake.

BBC External Services

23. **Mr. Heathcoat-Amory** asked the Secretary of State for Foreign and Commonwealth Affairs if he is planning any changes in the way the British Broadcasting Corporation external services are financed.

Mr. Renton: We are actively considering the recommendations in the Perry report for changing the way the BBC external services are financed. These include the recommendation that the grants-in-aid to the external services should be determined on a multi-annual basis.

Gulf Oil Installations (Angola)

24. **Mr. Robert Hughes** asked the Secretary of State for Foreign and Commonwealth Affairs whether he will raise at the United Nations Security Council the attempted sabotage of Gulf Oil installations in Cabinda, Angola, by South African military forces.

Mr. Rifkind: A Security Council meeting on the subject was held on 20 June at the request of the Government of Angola. The Security Council unanimously adopted resolution 567, strongly condemning the South African action.

Hong Kong

25. **Mr. Neale** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the future of Hong Kong in the light of the recent visit by the Chinese Prime Minister.

Sir Geoffrey Howe: The future of Hong Kong was among the subjects discussed by my right hon. Friend the Prime Minister with the Chinese Premier. I also discussed this subject with Foreign Minister Wu Xueqian. Both sides reaffirmed their determination to implement fully the joint declaration on the question of Hong Kong, which was ratified on 27 May and was subsequently registered at the United Nations by both Governments on 12 June.

South Africa

26. **Mr. Simon Hughes** asked the Secretary of State for Foreign and Commonwealth Affairs what recent representations the United Kingdom ambassador to South Africa has made to the South African Government on human rights in that country.

Mr. Rifkind: Directly and with our partners in the Ten, we have made such representations on a number of occasions recently through our ambassador in Pretoria, through the South African ambassador here, and through the Italians on behalf of the Ten.

40. **Mr. Cohen** asked the Secretary of State for Foreign and Commonwealth Affairs if he has any plans to review the operation in the United Kingdom of the United Nations arms embargo against South Africa.

52. **Mr. Michie** asked the Secretary of State for Foreign and Commonwealth Affairs if he has any plans to review the operation in the United Kingdom of the arms embargo against South Africa.

Mr. Rifkind: We see no reason at present to conduct any such review, but would consider evidence which suggested the need for one.

Chile

27. **Mr. Eastham** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on current United Kingdom relations with Chile.

46. **Dame Judith Hart** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the current state of relations between the United Kingdom and Chile.

Mr. Renton: We have normal diplomatic relations with Chile, but continue to make clear out concern about human rights violations and the constraints on political activity. We hope that the lifting of the state of siege with effect from 17 June may mark a new beginning in the process of restoring democratic freedoms.

Mr. Andrew F. Bennett asked the Secretary of State for Foreign and Commonwealth Affairs if, in the light of recent killings in Chile, he will reassess United Kingdom relations with that country.

Mr. Renton: We keep the situation in Chile under constant review, and continue to remind the Chilean Government of the need for an improvement in the human rights situation.

Mr. Ahmed Waled Rajab

Mr. Torney asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the reasons for the delay in taking action against the Syrian diplomat, Ahmed Waled Rajab.

Mr. Renton: I refer the hon. Member to the answer I gave on 12 June, at columns 496-98, to my hon. Friend the Member for Rutland and Melton (Mr. Latham). Before taking any action against diplomats alleged to have used their immunity to default on a civil obligation we need to be satisfied that there has been such an abuse; that legal remedies have been exhausted; and that the diplomat has had time to state his side of the case and to rectify the default.

The Foreign and Commonwealth Office became directly involved in this case in February 1985 when we were told by Mr. Chaffey's solicitors that Mr. Rajab was not ready to observe a court order to vacate Mr. Chaffey's flat. Mr. Rajab eventually vacated the flat before expiry of the deadline for doing so given him by the Foreign and Commonwealth Office. In the circumstances, however, we consider that the early transfer of Mr. Rajab from this country would be in the best interests of relations between the United Kingdom and Syria. We have made this clear to the Syrian authorities, from whom we expect an early response.

El Salvador

Mr. Stern asked the Secretary of State for Foreign and Commonwealth Affairs what plans he has to meet a representative of the Government of El Salvador.

Mr. Renton: My right hon. and learned Friend has no plans at present to meet a representative of the Government of El Salvador.

78. **Mr. Clay** asked the Secretary of State for Foreign and Commonwealth Affairs if he has any plans to seek to visit El Salvador.

Mr. Renton: I have nothing to add to the answer I gave the hon. Member on 22 May at column 463.

Falkland Islands

31. **Mr. Stan Thorne** asked the Secretary of State for Foreign and Commonwealth Affairs what was the date of the most recent communication he has had with the Government of Argentina concerning the future of the Falkland Islands.

Mr. Renton: Whilst we are not prepared to discuss the sovereignty of the Falkland Islands, we have since the Falklands conflict take a number of initiatives to achieve more normal bilateral relations with Argentina. For example, we have made plain to the Argentines our readiness to accept a suitably prepared visit by next-of-kin of Argentine service men buried there.

63. **Sir John Biggs-Davison** asked the Secretary of State for Foreign and Commonwealth Affairs if he will

make it his policy, failing the early establishment of a multilaterally-based conservation and management regime for fisheries in the waters around the Falkland islands, to declare a 200-mile fisheries zone.

Mr. Renton: Our current policy is to work actively for the establishment of a multilaterally-based fisheries conservation and management regime around the Falkland Islands.

67. **Mr. Campbell-Savours** asked the Secretary of State for Foreign and Commonwealth Affairs if he has made any assessment of the practicability of resettlement with compensation for the Falkland islanders.

Mr. Renton: The Falkland islanders have consistently made clear, through their elected representatives, their desire to remain resident in the islands. Many of their families have been in the Falklands for over five generations. We shall continue to protect their right to live there in peace and security under a Government of their own choosing.

Mr. Kilroy-Silk asked the Secretary of State for Foreign and Commonwealth Affairs if he will estimate the number and type of fishing vessels to be found at any one time within a 200-mile radius around the Falkland Islands; and what information he has as to what they are fishing for.

Mr. Renton: We currently estimate that since the beginning of 1985 a daily average of about 60 fishing and ancillary vessels have been seen within the Falkland Islands protection zone. They have comprised trawlers, squid jiggers and support vessels. Our information suggests that the main catch is currently squid.

Mexico

32. **Mr. Allen McKay** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on his recent discussions with the President of Mexico.

Sir Geoffrey Howe: The President of Mexico paid a most successful state visit to Britain from 11-14 June, during which my right hon. Friend the Prime Minister had talks with him at 10 Downing street, and I had a separate meeting with the Foreign Minister. In these meetings we were able to discuss a wide range of economic and international matters of interest to both Governments. The President's visit marked a further strengthening of our excellent relations with this important Latin American country.

European Community Budgetary Procedure

33. **Mr. Pike** asked the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with his European Economic Community counterparts concerning reform of the budgetary procedure.

Sir Geoffrey Howe: In a whole series of talks with my European Community colleagues, I have underlined the need to sustain the momentum of reform which began with the adoption last December of conclusions on budget discipline.

Nicaragua

34. **Mr. Wareing** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the current state of British relations with Nicaragua.

Mr. Renton: I refer the hon. Member to the reply I gave earlier today to the hon. Member for Battersea (Mr. Dubs).

Central America

35. **Mr. Terry Lewis** asked the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with his American counterpart concerning United States policy toward Central America.

Mr. Renton: I have nothing to add to the answer given by my right hon. and learned Friend to the hon. Member for Sheffield, Hillsborough (Mr. Flannery) on 22 May at column 454.

55. **Mr. Corbyn** asked the Secretary of State for Foreign and Commonwealth Affairs what recent discussions have been held by European Economic Community Foreign Ministers concerning political co-operation with Central America.

Mr. Renton: Following the meeting of European Community Foreign Ministers in Luxembourg on 29 April, it was announced that the Ten were following with satisfaction the progress of a mission sent to Central America in April and May. Ministers also confirmed their firm support for the Contadora process.

73. **Mr. Cohen** asked the Secretary of State for Foreign and Commonwealth Affairs when he expects to complete discussions with his European Economic Community counterparts on a new political and economic package for Central America.

Mr. Rifkind: We expect the Council of Ministers to be in a position to approve the Commission's negotiating mandate for a European Community/Central America co-operation agreement in time for negotiations with the Central American countries to begin this autumn.

Argentina (British Citizens)

36. **Mr. Meadowcroft** asked the Secretary of State for Foreign and Commonwealth Affairs whether he is satisfied with the arrangements he has made to seek to ensure the safety of British citizens resident in Argentina.

Mr. Renton: Since the break in diplomatic relations between Britain and Argentina in 1982, the Swiss Government have acted as protecting power with responsibility for British interests and British residents in Argentina. The British interests section of the embassy of Switzerland offers consular services. These arrangements are the most satisfactory ones possible in the unusual circumstances.

Lebanon

37. **Mr. Adley** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on current events in the Lebanon, in so far as they relate to the policies of Her Majesty's Government.

Mr. Luce: We deplore recent appalling acts of violence and lawlessness in Lebanon. We continue to

believe that an improvement in security can only be achieved by agreement between the Lebanese themselves. Our primary concern is for the suffering of the civilian population. This month we donated a further £500,000 to the International Committee of the Red Cross Lebanon appeal.

Arms Control Talks (Vienna)

38. **Mr. Chapman** asked the Secretary of State for Foreign and Commonwealth Affairs whether there has been any recent progress in the mutual and balanced force reduction talks in Vienna.

Mr. Luce: There is no significant progress to report from the mutual and balanced force reductions talks in Vienna. As I told the hon. Member for Monklands, West (Mr. Clarke) on 24 April, at columns 863-64, we are, together with our NATO allies, continuing to study carefully the Eastern proposal of 14 February. This followed the negative response of the East to the positive Western initiative of April 1984.

39. **Mr. Soames** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the status of the arms control talks in Geneva.

72. **Mr. Yeo** asked the Secretary of State for Foreign and Commonwealth Affairs whether there has been any recent progress in the latest session of the Geneva disarmament talks.

Mr. Alton asked the Secretary of State for Foreign and Commonwealth Affairs whether he is satisfied with the progress of the Geneva arms talks.

Mr. Kirkwood asked the Secretary of State for Foreign and Commonwealth Affairs whether he is satisfied with the progress of the Geneva peace talks.

Mr. Luce: The talks are still at an early stage. As my right hon. and learned Friend has made clear, they are likely to be long and complex and will require patience and steady nerves. At the recent North Atlantic Council meeting in Lisbon, the allies expressed strong support for United States efforts at the talks and called on the Soviet Union to adopt a positive approach.

Cyprus

41. **Mr. Tom Cox** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on United Kingdom relations with Cyprus.

Mr. Renton: Relations between the United Kingdom and Cyprus remain excellent. We value them highly.

58. **Mr. Haynes** asked the Secretary of State for Foreign and Commonwealth Affairs what progress is being made on the Cyprus problem; and if he will make a statement.

Mr. Renton: The United Nations Secretary General is continuing his efforts to make progress towards a settlement in Cyprus. He has our full and active support.

Middle East

42. **Mr. Latham** asked the Secretary of State for Foreign and Commonwealth Affairs whether he will make a statement on the latest developments regarding the peace process in the middle east.

53. **Mr. Peter Bruinvels** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on recent diplomatic moves in the Arab/Israeli dispute following the recent visit by King Hussein of Jordan.

57. **Mr. Maclennan** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on current progress towards peace in the middle east.

79. **Mr. Anderson** asked the Secretary of State for Foreign and Commonwealth Affairs what initiatives he is planning to support the efforts of King Hussein to secure a comprehensive settlement in the middle east.

Mr. Brandon-Bravo asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Arab/Israeli peace moves following the recent visit by the Israeli deputy Prime Minister.

Mr. Luce: As I told my hon. Friend the Member for Bolton, North-East (Mr. Thurnham) on 19 June, at column 150, we remain convinced that a just and lasting settlement of the Arab/Israel dispute, arrived at by peaceful negotiation, is overwhelminghly in the interests of all the parties, and of the international community as a whole. We therefore fully support King Hussein's current initiative, and also welcome the ideas put forward by the Israeli Prime Minister on 10 June. We maintain a close dialogue with the parties, with whom the prime responsibility for action must lie. As part of this process we recently welcomed in London King Hussein of Jordan and Deputy Prime Minister Shamir of Israel. We are also keeping in close touch with our partners in the European Community, and with the United States, on this important subject.

62. **Mr. Greenway** asked the Secretary of State for Foreign and Commonwealth Affairs if he has any plans to seek to visit the middle east; and if he will make a statement.

Mr. Luce: My right hon. and learned Friend has at present no plans to do so.

80. **Mr. Walters** asked the Secretary of State for Foreign and Commonwealth Affairs what steps are being taken by Her Majesty's Government to support King Hussein's middle east peace initiative.

Mr. Luce: We maintain a close dialogue with the parties to the Arab-Israel dispute with whom the prime responsibility for action must lie. We recently held talks with King Hussein underlinging our support for the Jordanian-Palestinian initiative of 11 February. We also discussed the dispute with the Israeli Deputy Premier Mr. Shamir during his recent visit. We remain in close touch with our partners in the European Community, and with the United States, who share our belief in the urgent need for a just and lasting settlement arrived at by peaceful negotiations.

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs (1) whether Her Majesty's Government will seek clarification from King Hussein of Jordan, in the context of his peace initiative in the middle east, about the intentions of Al Fatah, as stated by Salah Khalaf on 7 June on Radio Monte Carlo about an independent Palestinian state;

(2) what reports he has received from Her Majesty's ambassadors in Amman or Cairo about the broadcast on 5 June on Radio Monte Carlo by the head of the political department of the Palestine Liberation Organisation, Mr. Faruq Qaddumi, refusing any recognition of the state of Israel; and whether Her Majesty's ambassador in Amman will convey to King Hussein the concern of the United Kingdom at this statement.

Mr. Luce: As the discussions following the 11 February agreement are carried forward by King Hussein, there will no doubt continue to be statements by certain of the parties concerned, on both sides, unacceptable to others.

Strategic Defence Initiative

43. **Mr. George Robertson** asked the Secretary of State for Foreign and Commonwealth Affairs what recent consultations he has had with the United Kingdom's European allies concerning the United States' strategic defence initiative.

Mr. Luce: We continue to consult closely with all our allies about the strategic defence initiative. At the recent North Atlantic Council meeting in Lisbon, there was a broad recognition that United States research is necessary in order to match substantial Soviet activity in this area.

Namibia

45. **Mr. McTaggart** asked the Secretary of State for Foreign and Commonwealth Affairs what representations have been made to the South African Government following its decision unilaterally to establish a transitional Government in Namibia.

Sir Geoffrey Howe: I refer the hon. Member to the reply I gave earlier today to the hon. Member for Bradford, West (Mr. Madden).

47. **Mr. McKelvey** asked the Secretary of State for Foreign and Commonwealth Affairs if he will review his policy of giving full support to the United States of America on the question of Namibia.

76. **Mr. Corbett** asked the Secretary of State for Foreign and Commonwealth Affairs whether he will review his policy on Namibia of giving full support to the United States of America.

Mr. Rifkind: The United States is committed to the implementation of Security Council resolution 435, and we support its efforts to achieve this. United States influence is helpful in efforts to bring Namibia to internationally recognised independence.

51. **Mr. Tony Banks** asked the Secretary of State for Foreign and Commonwealth Affairs if he has any plans to meet representatives of the transitional Government being established in Namibia on 17 June.

Mr. Rifkind: My right hon. and learned Friend has no plans to do so.

EC (Foreign Policy)

49. **Mr. Weetch** asked the Secretary of State for Foreign and Commonwealth Affairs if he willl list those foreign policy areas in which the European Economic Community has adopted a common stand since 1983.

Sir Geoffrey Howe: Ministers of the Ten meeting in political co-operation have issued statements on the following topics since the end of 1983.

1. East/West relations (arms control and Soviet/Western dialogue).
2. The Arab Israel conflict and the situation in Lebanon.
3. The Iran Iraq conflict.
4. Central America and the Contadora process.
5. Terrorism and the abuse of diplomatic immunity.
6. South Africa (on the policy of apartheid).
7. Progress at the conference on disarmament in Europe.
8. The conference on security and co-operation in Europe and implementation of the Helsinki final act.
9. The political situation in Chile.
10. The political situation in Poland.
11. The situation in Afghanistan.
12. The political situation in Cyprus.
13. Mozambique and the Nkomati accord.
14. Military disengagement in southern Angola.
15. The situation in Namibia.
16. The political and economic situation in the Sudan.
17. Human rights abuses.
18. The agreement on the future of Hong Kong.
19. The "London Guidelines" for trade in nuclear materials, equipment and technology.
20. Controls on the export of chemical weapons.
21. The implementation of reform in UNESCO.

Copies of the statements were placed in the Library of the House when they were issued.

Former Public Employees (Rhodesia)

50. **Sir John Farr** asked the Secretary of State for Foreign and Commonwealth Affairs what recent steps he has taken to offer assistance to those former Rhodesian public employees, now living in Britain, to seek to secure the release by the Zimbabwe Government of modest amounts of capital in cases of hardship or ill-health.

Mr. Rifkind: We take every opportunity to impress upon the Zimbabwean authorities the hardship which their exchange controls can cause. During my right hon. and learned Friend's visit to Zimbabwe in January, he raised the matter with the Zimbabwean authorities and asked that sympathetic consideration continue to be given to genuine hardship cases. We have throughout taken up individual hardship cases with the Zimbabwean authorities through our high commission in Harare, and we have been able to secure concessionary treatment for a number of these.

Soviet Foreign Minister

54. **Mr. Dicks** asked the Secretary of State for Foreign and Commonwealth Affairs whether a date has yet been fixed for the planned visit to London of the Soviet Foreign Minister.

Sir Geoffrey Howe: No. Dates are under discussion between the two Governments.

Contadora Process

56. **Mr. Beith** asked the Secretary of State for Foreign and Commonwealth Affairs what recent action he has taken to assist the Contadora process in Central America.

Mr. Renton: We gave practical expression to our support for the Contadora process by playing a full part in the meeting of European and regional Foreign Ministers which my right hon. and learned Friend attended at San José in September 1984. We are working closely with our European partners to strengthen political and economic co-operation with the Central American states.

EC Budget

60. **Mr. James Hamilton** asked the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with European Economic Community Foreign Ministers concerning the 1985 budget.

Sir Geoffrey Howe: The Foreign Affairs Council last discussed the 1985 budget on 21 March.

Diplomatic Immunity

61. **Mr. Douglas** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a further statement with regard to Government policies on diplomatic immunity.

Sir Geoffrey Howe: We are implementing the policy that was fully set out in the Government's report on diplomatic immunities and privileges (Cmnd. 9497).

Anglo-Chinese Relations

64. **Mr. Needham** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Anglo-Chinese relations in the light of the recent visit by the Chinese Prime Minister.

Sir Geoffrey Howe: Relations between the United Kingdom and China are excellent. Premier Zhao Ziyang paid an outstandingly successful official visit from 2 to 8 JUne. His discussions with my right hon. Friend the Prime Minister and other members of Her Majesty's Government underlined the potential for further co-operation between Britain and China particularly in economic relations and trade. Both sides will also work to ensure the effective implementation of the Hong Kong joint declaration. Her Majesty the Queen has accepted an invitation to visit China at a time to be agreed.

NATO-WEU (Co-operation)

65. **Mr. Hickmet** asked the Secretary of State for Foreign and Commonwealth Affairs when he last met the other Foreign Ministers of the North Atlantic Treaty Organisation to discuss co-operation with the Western European Union.

Mr. Luce: My right hon. and learned Friend has never met the other Foreign Ministers of the North Atlantic Treaty Organisation to discuss co-operation within the Western European Union.

EC Staffing

68. **Dr. Michael Clark** asked the Secretary of State for Foreign and Commonwealth Affairs if he will list the total number of staff employed by the European Economic Community and the total numbers of staff drawn from each of the member states.

Mr. Rifkind: The permanent staff (all grades) employed by the Commission (excluding staff in the joint research centre) numbered 9,597, broken down as follows:

	Number of staff
UK	883
Germany	1,297
France	1,258
Italy	1,602
Belgium	2,605
Netherlands	514
Luxembourg	457
Denmark	351
Ireland	206
Greece	371
Others	49

Figures for the other institutions are not immediately available. I will write to the hon. Member and also deposit the figures in the Library of the House as soon as they are to hand.

Council of Ministers

70. **Dr. Marek** asked the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with his West German counterpart concerning his use of the veto in the Council of Ministers.

Sir Geoffrey Howe: I have discussed with my Community colleagues, including my West German counterpart, a proposal that a member state which asks for discussion to continue until unanimous agreement is reached should be required to explain fully and formally, in a special procedure of the Foreign Affairs Council, why it considers very important interests in fact to be at stake. I have had no separate discussions with my West German colleague of the recent use of the veto in the Council of Ministers by his agricultural colleague.

EC (Decision-making)

71. **Sir Anthony Meyer** asked the Secretary of State for Foreign and Commonwealth Affairs what proposals he has made to the European Economic Community Council of Ministers for improved decision-making procedures within the European Economic Community.

Mr. Rifkind: We have proposed that in the enlarged Community more use should be made of the majority voting provisions of the treaties; that where unanimity is required, member states should make greater use of the possibility of abstention provided for in article 148(3) of the treaty of Rome, particularly where Heads of Government have agreed in the European Council that a specific objective should be achieved; and that in order to discourage abuse of the Luxembourg compromise, a member state which asks for discussion to continue until unanimous agreement is reached should be required to explain fully and formally, through a special procedure of the Foreign Affairs Council, why it considers very important interests in fact to be at stake.

Non-Proliferation Treaty

74. **Mr. Ashdown** asked the Secretary of State for Foreign and Commonwealth Affairs what representations he has received on the current year's review of the non-proliferation treaty; and if he will make a statement.

Mr. Luce: The Foreign and Commonwealth Office has received representations from a number of organisations as explained in my reply to the hon. Member for Meironnydd Nant Conwy (Mr. Thomas) on 20 May, at column 336. We have also received letters from members

of the public. Some correspondents have expressed views on article VI with which we differ, as I mentioned in my speech about the non-proliferation treaty (NPT) during the adjournment debate on 6 June, at columns 545-58. However, they all agree that the NPT is an important agreement which should be preserved and strengthened, a view which the Government entirely share.

Mr. Strang asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the work of the preparatory committee for the third review conference of the non-proliferation treaty.

Mr. Luce: The preparatory committee held three sessions and completed the procedural work necessary for the review conference to be held. There was no major debate of substantive issues, although aspects of the treaty were touched upon during consideration of background documents prepared for the review conference. The British delegation took an active part in the committee.

International Debt

75. **Mr. Barron** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the debt crisis and the effect of the accession of Spain and Portugal to the European Economic Community on the position of debtor countries.

Mr. Rifkind: As I stated to the hon. Member for Stoke-on-Trent, Central (Mr. Fisher) on 22 May, at column 462, a number of countries have made good progress in tackling their individual debt difficulties. We will continue to co-operate with other Governments, including our present and future European Community partners, international institutions and banks to build on this progress in a flexible and effective manner.

EUREKA Project

77. **Mr. Maxton** asked the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with European Economic Community Foreign Ministers concerning the EUREKA project; and if he will make a statement.

Mr. Renton: My right hon. and learned Friend has discussed the EUREKA proposal with other European Community Foreign Ministers in the margins of the Western European Union meeting on 22 and 23 April, the Bonn economic summit on 2 and 3 May, the Foreign Affairs Councils, on 20 and 21 May and 18 and 19 June, at the informal meeting of Community Foreign Ministers on 8 and 9 June. He has also discussed EUREKA during the course of several bilateral meetings with European Ministers.

Drug Smuggling

82. **Sir Philip Goodhart** asked the Secretary of State for Foreign and Commonwealth Affairs what action he is taking to prevent the smuggling of drugs through those territories in the Caribbean for which the United Kingdom has responsibility; and what further action he plans to take in the next 12 months.

Mr. Renton: We support the anti-drugs measures being taken by Governments of Dependent Territories. In pursuit of this we have provided expatriate personnel and substantial funds for purchasing equipment and improving security. Close co-operation has also been maintained with United States law enforcement agencies, the United Nations and other competent international authorities. This policy will be actively pursued in the year ahead.

Namibia (Members' Visit)

Mr. Nellist asked the Secretary of State for Foreign and Commonwealth Affairs what facilities were provided by Her Majesty's Government for the five hon. Members recently in Namibia; what were the total costs to public funds; and if he will make a statement.

Mr. Rifkind: The five Members of Parliament visited Namibia at the invitation of the Namibia information service which we understand paid for their visit. On their return journey they were received and entertained to lunch by a member of the British embassy in Pretoria in accordance with the embassy's normal practice of keeping in touch with visiting British MPs.

Israel (Military Equipment)

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs whether he will now cancel the announcement made on 30 June 1982 that approval of licences for the export of British military equipment to Israel would be withheld until further notice; and whether he will make a statement.

Mr. Luce: We have made it clear that we shall review these restrictions when all members of the Israeli forces have been withdrawn from Lebanon.

Indonesia

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs if he is satisfied with current relations between Her Majesty's Government and Indonesia.

Mr. Luce: Yes. I refer the hon. Member to the reply I gave on the 24 April to my hon. Friend the Member for Corby (Mr. Powell). We will continue to foster close and friendly relations with the Indonesian Government.

Guatemala

Mr. Tony Lloyd asked the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has had concerning the renewal of consular relations with Guatemala.

Mr. Renton: My right hon. and learned Friend discussed this possibility with the Guatemalan Minister for Foreign Affairs when he was in San Jose in September 1984 for the meeting between European and Central and Latin American Foreign Ministers. There has subsequently been some discussion of this question between officials but no decisions have been made.

European Commission

Mr. Knowles asked the Secretary of State for Foreign and Commonwealth Affairs whether he will make a further statement on the prospects of avoiding an overall increase in the European Commission's size following enlargement of the Community.

Mr. Rifkind: Latest indications are that the size of the Commission will increase but the growth in numbers will be significantly less than would have occurred had a pro rata quota for Spain and Portugal been added to the existing establishment. The Commission will require some new posts, especially interpreters and translators. In other areas new posts are not required and some Commission officials will be offered early retirement to make room for Spanish and Portuguese recruits especially at more senior levels.

NORTHERN IRELAND

Office Furniture Manufacturers (Grants)

Mr. Peter Robinson asked the Secretary of State for Northern Ireland how many firms producing office furniture have been grant-aided by local enterprise development units; what are the names of these firms; and where they are located.

Dr. Boyson: Two: John Sheridan and Sons of Enniskillen in 1979 and R. H. Knox and Co., Belfast, in 1981, since when there have been no further applications from such firms.

Housing Executive Stock (Windows)

Mr. Peter Robinson asked the Secretary of State for Northern Ireland how many houses owned by the Northern Ireland Housing Executive in Belfast are fitted with *(a)* metal window frames, *(b)* PVC window frames and *(c)* wooden window frames.

Mr. Chris Patten: I refer the hon. Gentleman to the reply I gave him on 15 May at column *147*.

Local Enterprise Development Unit Offices

Mr. Peter Robinson asked the Secretary of State for Northern Ireland how many new jobs have been created by the Local Enterprise Development Unit in each of the last five years.

Dr. Boyson: The information is as follows:

Financial year	*New jobs promoted*
1980-81	1,055
1981-82	1,613
1982-83	2,550
1983-84	3,658
1984-85	4,009

Mr. Peter Robinson asked the Secretary of State for Northern Ireland how many staff will be employed in the recently opened local enterprise development unit offices at Upper Galwally, Belfast.

Dr. Boyson: At present, 69.

Road Tax

Mr. Peter Robinson asked the Secretary of State for Northern Ireland (1) if he will give his best assessment of the number of civil servants involved in collecting road tax in Northern Ireland;

(2) how much revenue was raised by road tax in Northern Ireland is the financial year 1984-85;

(3) how many road fund licences were issued in the financial year 1984-85 in Northern Ireland.

Mr. Chris Patten: The information is as follows:

(1) 177, (2) £53,250,356, (3) 653,795.

Mr. Peter Robinson asked the Secretary of State for Northern Ireland how much revenue it is estimated was lost through evasion of road tax in Northern Ireland in the financial year 1984-85.

Mr. Chris Patten: It is not possible to estimate accurately the amount of revenue lost through evasion of road tax. However, my Department recovered £920,600 by way of mitigating penalties and court awards from persons detected using or keeping unlicensed vehicles during that year.

Housing Benefit

Mr. Peter Robinson asked the Secretary of State for Northern Ireland what has been the total paid in housing benefit from all sources in Northern Ireland in each of the last two years.

Mr. Chris Patten: The estimated amounts are as follows:

	£
1983-84	*85,309,000
1984-85	97,254,000

* Includes help with housing costs under the supplementary benefit scheme and the former rent and rates rebate and rent allowance schemes prior to 21 November 1983.

Heating Allowances

Mr. Peter Robinson asked the Secretary of State for Northern Ireland how much has been paid by the Department of Health and Social Services in Northern Ireland for additional heating allowance in the last year.

Mr. Chris Patten: The estimated amount of supplementary benefit heating additions paid in 1983-84, the latest year for which figures are available, was £19,416,000.

Mr. Peter Robinson asked the Secretary of State for Northern Ireland how many people in Northern Ireland in receipt of supplementary benefit in each of the last five years also received additional heating allowance.

Mr. Chris Patten: The information is as follows:

Hundreds

Supplementary benefits recipients with additional heating allowance	*1979*	*1980*	*1981**	*1982**	*1983*
Extra Heating:					
at lower rate	300	290	—	—	232
at middle rate	222	—	—	—	—
at higher rate	33	203	—	—	285
Central heating:					
at lower rate	1	35	—	—	53
at middle rate	13	—	—	—	—
at higher rate	54	123	—	—	268
Age related heating addition	—	98	—	—	111
Disabled person's heating addition	—	19	—	—	43
Estate rate heating additions:					
at lower rate	—	—	—	—	14
at higher rate	—	—	—	—	36
Heating at other rates	23	68	—	—	1
Totals	646	836	—	—	1,043

Source: Annual Statistical Enquiry.

* Information is not available for 1981 and 1982 because of a computer programme error.

EDUCATION AND SCIENCE

University Teachers

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science how many university teachers were employed in universities in the United Kingdom for each year since 1978-79; how many held temporary posts; how many held permanent posts; and what are the equivalent figures for research staff.

Mr. Brooke: Information on permanent and temporary posts in universities is not available centrally. The numbers of academic staff employed in universities in the United Kingdom are as follows:

	Total	*Full-time*		*Part-time**
		Teaching and research	*Research only*	
1978-79	41,867	34,378	7,489	1,521
1979-80	43,358	35,021	8,337	1,587
1980-81	44,092	35,107	8,985	1,678
1981-82	43,924	34,661	9,263	1,738
1982-83	43,083	32,806	10,277	2,371
1983-84	43,149	32,429	10,720	2,865

* The breakdown of part-time staff between teaching and research is not readily available.

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science how many university lecturers have taken early retirement or been made redundant since 1979; and what has been the cost to the Government in compensation and redundancy payments.

Mr. Brooke: Under the special arrangements announced on 25 January 1982, at column 275, for the compensation of redundant university academic staff, approximately £94·5 million was paid to 3,318 academic staff who retired between 1 August 1981 and 31 September 1984. Information is not readily available about payments to staff who left before or after this period, which was that to which the special arrangements applied.

Independent Schools

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science how many independent schools there are in England; and what information he has as to how many children attend them, as to the proportion this represents of the total school population, and as to the comparable figures for each of the last five years.

Mr. Dunn: Following is the information for England:

	Number of Independent Schools	*Number of Pupils in Independent Schools*	*Proportion of Pupils in Independent Schools Per cent.*
January 1980	2,351	527,781	5·9
January 1981	2,342	527,230	6·0
January 1982	2,340	521,132	6·1
January 1983	2,344	516,494	6·2
January 1984	2,333	515,218	6·3

Shortage Subjects (Pay)

Mrs. Renée Short asked the Secretary of State for Education and Science what discussions took place between officials of his Department and the National Union of Teachers before he concluded that teachers of mathematics, science and shortage subjects should be eligible for higher pay awards than other teachers.

Sir Keith Joseph: I have reached no such conclusion. My open letter of 21 May to the education chairmen of the local authority associations, a copy of which is in the Library, said:

"The Government envisages an agreement which would require employers to promote more teachers than under the existing system to the higher salary scales, exercising their discretion in doing so in the light of the quality of teachers' work and the demand for their skills and qualifications elsewhere."

The letter also said that I should be happy to discuss its content with the teacher unions.

Special Education

Mr. Freud asked the Secretary of State for Education and Science if he will list *(a)* for each local education authority and *(b)* for metropolitan counties, shire counties and outer London boroughs, the average percentage of expenditure allocated to children with special needs spent on (i) children educated within the local education authority, (ii) children educated outside the local education authority and (iii) the number and proportion of children with special needs represented by *(a)* and *(b)* in each case, at the latest date for which figures are available.

Mr. Dunn [*pursuant to his reply*, 21 June 1985, c. *241-42*]: The information requested is given in the following table.

Local education authority	*Proportion of total net expenditure on special education spent in 1983-84*		*Numbers of pupils*			
	on pupils educated within the authority Per cent.	*on pupils educated outside the authority Per cent.*	*Educated within the authority*		*Educated outside the authority*	
			Numbers	*Per cent.*	*Numbers*	*Per cent.*
Barking	61	39	298	71	119	29
Barnet	54	46	511	68	246	32
Bexley	49	51	396	58	284	42
Brent	61	39	623	73	229	27
Bromley	60	40	594	78	171	22

Local education authority	Proportion of total net expenditure on special education spent in 1983-84		Numbers of pupils			
	on pupils educated within the authority Per cent.	on pupils educated outside the authority Per cent.	Educated within the authority		Educated outside the authority	
			Numbers	Per cent.	Numbers	Per cent
Croydon	59	41	836	74	300	26
Ealing	61	39	620	71	250	29
Enfield	60	40	538	70	230	30
Haringey	64	36	438	66	221	34
Harrow	50	50	401	64	224	36
Havering	63	37	463	74	160	26
Hillingdon	66	34	581	79	158	21
Hounslow	73	27	763	82	162	18
Kingston-upon-Thames	52	48	292	71	118	29
Merton	62	38	318	68	151	32
Newham	73	27	650	81	148	19
Redbridge	55	45	488	66	252	34
Richmond-upon-Thames	64	36	240	71	96	29
Sutton	44	56	438	65	232	35
Waltham Forest	85	15	886	93	68	7
Outer London Borough	61	39	10,374	73	3,879	27
ILEA	92	8	8,438	92	722	8
Birmingham	91	9	3,625	95	202	5
Coventry	88	12	1,229	93	93	7
Dudley	78	22	692	86	112	14
Sandwell	82	18	924	90	108	10
Solihull	75	25	456	83	94	17
Walsall	87	13	787	94	54	6
Wolverhampton	91	9	675	92	57	8
Knowsley	77	23	667	83	135	17
Liverpool	98	2	2,169	96	92	4
St. Helens	66	34	545	81	124	19
Sefton	59	41	717	82	159	18
Wirral	78	22	1,050	88	149	12
Bolton	66	34	634	75	217	25
Bury	60	40	342	68	163	32
Manchester	93	7	2,271	92	204	8
Oldham	95	5	735	96	31	4
Rochdale	73	27	622	83	128	17
Salford	81	19	1,148	94	75	6
Stockport	59	41	893	78	249	22
Tameside	62	38	421	69	188	31
Trafford	72	28	421	78	118	22
Wigan	78	22	805	84	150	16
Barnsley	75	25	432	85	74	15
Doncaster	87	13	957	94	59	6
Rotherham	78	22	627	88	83	12
Sheffield	96	4	1,661	98	31	2
Bradford	87	13	1,567	93	125	7
Calderdale	72	28	305	78	86	22
Kirklees	75	25	750	85	134	15
Leeds	97	3	2,340	92	203	8
Wakefield	72	28	953	85	173	15
Gateshead	76	24	563	86	88	14
Newcastle-upon-Tyne	82	18	1,128	90	131	10
North Tyneside	66	34	565	81	136	19
South Tyneside	68	32	332	76	105	24
Sunderland	80	20	846	89	108	11
Metropolitan districts	83	17	34,854	89	4,438	11
Avon	74	26	2,410	86	404	14
Bedfordshire	81	19	1,272	87	197	13
Berkshire	73	27	2,170	84	413	16
Buckinghamshire	79	21	2,052	85	358	15
Cambridgeshire	91	9	1,537	82	346	18
Cheshire	77	23	2,203	85	378	15
Cleveland	88	12	2,109	94	130	6
Cornwall	74	26	327	72	125	28
Cumbria	79	21	714	83	147	17
Derbyshire	85	15	2,297	89	293	11
Devon	68	32	2,460	83	520	17
Dorset	68	32	1,337	84	259	16
Durham	80	20	1,300	86	217	14
East Sussex	68	32	1,882	82	423	18
Essex	70	30	3,623	84	686	16

Local education authority	Proportion of total net expenditure on special education spent in 1983-84		Numbers of pupils			
	on pupils educated within the authority Per cent.	on pupils educated outside the authority Per cent.	Educated within the authority		Educated outside the authority	
			Numbers	Per cent.	Numbers	Per cent.
Gloucestershire	79	21	1,621	85	278	15
Hampshireshire	65	35	4,697	83	996	17
Hereford and Worcestershire	80	20	1,729	89	207	11
Hertfordshire	78	22	3,037	89	391	11
Humberside	86	14	1,942	93	151	7
Isle of Wight	70	30	330	87	48	13
Kent	70	30	4,210	84	797	16
Lancashire	76	24	4,164	84	788	16
Leicestershire	85	15	1,498	90	164	10
Lincolnshire	76	24	1,434	87	218	13
Norfolk	88	12	1,191	92	100	8
North Yorks	68	32	1,460	81	332	19
Northamptonshire	85	15	1,589	92	145	8
Northumberland	76	24	774	88	107	12
Nottinghamshire	97	3	2,741	88	368	12
Oxon	77	23	1,317	88	181	12
Salop	76	24	935	87	136	13
Somerset	69	31	1,034	84	203	16
Staffordshire	85	15	2,683	92	243	8
Suffolk	68	32	915	79	240	21
Surrey	68	32	3,249	85	594	15
Warwickshire	74	26	1,651	87	246	13
West Sussex	76	24	1,344	85	243	15
Wiltshire	57	43	939	72	369	28
Non-metropolitan counties	76	24	74,177	86	12,[illegible]1	14

TRANSPORT

British Rail (Rolling Stock)

Dr. Michael Clark asked the Secretary of State for Transport what discussions he has had with the chairman of British Rail on the condition of passenger rolling stock, so far as the provision of new carriages and refurbishment of old ones is concerned; and if he will make a statement.

Mr. David Mitchell: It is the BR Board's responsibility to decide on the requirements for new rolling stock or the refurbishment of vehicles. Where necessary I discuss investment proposals with the board. For example I had talks recently with BR's joint managing director about the rolling stock implications of the London interconnection proposal. More generally, we have since October 1983 approved investment in new passenger vehicles worth £215 million, and BR has itself approved further expenditure on refurbishment. For the future, BR plans to spend £527 million over the next five years on modernising its passenger traction and rolling stock fleet.

Roads (Public Inquiries)

Mr. Waller asked the Secretary of State for Transport if he will list those proposals for new or improved roads which have been the subject of a public inquiry and are still awaiting decision, showing in each case the date when the inquiry closed and the date when the inspector submitted his report.

Mrs. Chalker: The following schemes in the national road programme for England are awaiting a decision following a public inquiry:

	Public inquiry finished	Inspector's report received
M1-A1 Kirkhamgate-Dishforth	June 1983	March 1984
A1 Clifton-Stannington Bridge	November 1984	January 1985
A3 Liphook and Petersfield Bypasses	June 1985	Awaited
A5 Telford-Shrewsbury	December 1984	May 1985
A10 Melbourn Bypass	December 1984	Awaited
A11 Thetford Bypass	March 1985	June 1985
A11 Wymondham-Cringleford	November 1984	January 1985
A12 Hackney Wick-M11 Link	September 1983	March 1984
A12 Martlesham Bypass	February 1985	April 1985
A21 Robertsbridge Bypass	July 1984	September 1984
A23 Warninglid-Brighton	April 1985	Awaited
A35 Bridport Link Road	November 1984	February 1985
A35 Dorchester Bypass	April 1985	Awaited
A39 Barnstaple Bypass	November 1984	February 1985
A42 Castle Donington, North	May 1984	August 1984
A43 Brackley Bypass	December 1984	February 1985
A47 Eye Bypass	March 1985	Awaited
A47 Wardley Hill Improvement	April 1985	June 1985
A303 South Petherton-Broadway	March 1984	August 1984
A361 North Devon Link Stage IIA (Tiverton-Newtown)	March 1984	October 1984
A361 North Devon Link Stage IIB (Newtown-Barnstaple)	March 1985	Awaited
A406 Falloden Way-Finchley High Road	December 1983	November 1984
A406 Hanger Lane-Harrow Road	January 1985	May 1985
A406 Popes Lane-Western Avenue	June 1984	April 1985
A616 Stocksbridge-M1	November 1984	January 1985
A629 Airedale Route (Kildwick-Beechcliffe)	June 1984	September 1984
A650 Airedale Route (Victoria Park-Crossflatts)	December 1984	April 1985

Singapore Airlines (Manchester)

Mr. Hargreaves asked the Secretary of State for Transport what communication his Department has had with Manchester international airport in relation to his consent to Singapore Airlines' application to open new services from Manchester to Singapore in April 1986.

Mr. Michael Spicer: The chairman of the Manchester International Airport Authority has expressed publicly his delight and appreciation of the decision to allow Singapore Airlines to operate services to Manchester.

Sir Walter Clegg asked the Secretary of State for Transport what progress has been made in establishing a commercial agreement between British Airways and Singapore Airlines to enable SIA to open its new services to Manchester.

Mr. Michael Spicer: I understand that substantive discussions will take place between the two airlines as soon as SIA has reached a decision on the routeing of its services to Manchester.

SOCIAL SERVICES

Pharmacists (Pay)

Mrs. Renée Short asked the Secretary of State for Social Services if he will make a statement on the detailed terms of the new contract between his Department and the Pharmaceutical Service Negotiating Committee; what are the various cut-off points in terms of numbers of prescriptions issued which will be used to determine pharmacists' remuneration; upon what criteria the cut-off points were determined; and what assessment he has made of the effects of the new contract upon the level of remuneration of pharmacists within each band.

Mr. Kenneth Clarke: The new contract is a lengthy document containing much detail. The full text was placed in the Library on 17 June. The main features are:

A system of annual negotiations and annual cost inquiries to a fixed timetable and a fixed settlement date of 1 April each year. This will prevent as far as practicable the accrual of large sums of arrears, and the need for massive retrospective adjustment. This will reduce the number of disputes between Government and profession that the old arrangements had an in-built tendency to cause.

A system to ensure that the National Health Service obtains and pays for only those pharmaceutical services which the NHS and its patients need. Family Practitioner Committees will decide whether the needs of patients justify the expenditure on a new NHS contract, and will refuse an application if this is not the case. The only judgment will be one of patient need. This arrangement will ensure that there is a reasonable but not excessive supply of pharmacies with NHS contracts.

An increased level of financial support by means of minimum income guarantee to essential small pharmacies to ensure continuing access to NHS services in thinly populated, mainly rural areas.

Greater encouragement to cost effective and efficient practice through changes in the remuneration structure.

For two years, a system of payments to small pharmacies which wish to relinquish the NHS contract, helping pharmacists who find themselves locked into unattractive contracts to withdraw.

A modified system of cost collection which will produce some savings which will be shared equally between Government and the profession, producing some funds to help implement development in the pharmacist's role.

A sound basis for developing that future role following discussion of the recommendations of the Nuffield inquiry.

All the details, including the cut-off points to be used in determining remuneration, emerged from a long period of negotiation with the committee which represents all contractors. The effect of the proposals on average remuneration within various bands is set out in the table.

Chemists remuneration: structure of fees

Option 12: graduated dispensing fee of:— 120 51 62
change points:— 15900 27000
(1325 pa) (2250 pa)

Plus 52 flat rate oncost

Prescription Numbers (Annual)	*Estabs. in band*	*Mid point of band (RX/month)*	*Monthly receipts under 85/85 fee structure*		*Monthly receipts under new option*		*Monthly difference*	
			Pounds/ pharm.	*Pence/RX*	*Pounds*	*Pence/RX*	*Pounds/ pharm.*	*Pence/RX*
0-2399	24	100	394·47	394·47	142·44	142·44	−252·03	−252·03
2400-3599	35	250	611·18	244·47	356·10	142·44	−255·08	−102·03
3600-4799	50	350	755·65	215·90	498·54	142·44	−257·11	−73·46
4800-5999	48	450	898·45	199·66	640·98	142·44	−257·47	−57·22
6000-7199	59	550	1026·16	186·57	783·42	142·44	−242·74	−44·13
7200-8399	79	650	1152·76	177·35	925·86	142·44	−226·90	−34·91
8400-9599	129	750	1280·47	170·73	1068·30	142·44	−212·17	−28·29
9600-10799	125	850	1405·21	165·32	1210·74	142·44	−194·47	−22·88
10800-11999	164	950	1519·89	159·89	1353·18	142·44	−166·71	−17·55
12000-12199	226	1050	1622·28	154·50	1495·62	142·44	−126·66	−12·06
13200-14399	204	1150	1718·71	149·45	1638·06	142·44	−88·65	−7·01
14400-14999	118	1225	1796·25	146·63	1744·89	142·44	−51·36	−4·19
15000-15899	121	1288	1856·58	144·14	1834·63	142·44	−21·95	−1·70
15900-16799	236	1363	1909·53	140·10	1915·24	140·52	5·71	0·42
16800-19799	723	1525	2032·94	133·31	2034·21	133·39	1·27	0·08
19800-22799	743	1775	2219·47	125·04	2217·81	124·95	−1·66	−0·09
22800-26999	1035	2075	2405·52	115·93	2438·13	117·50	32·61	1·57
27000-29999	710	2375	2672·94	112·54	2672·20	112·51	−0·74	−0·03
30000-33599	710	2650	2894·28	109·22	2904·41	109·60	10·13	0·38
33600-37199	662	2950	3138·70	106·40	3157·73	107·04	19·03	0·65
37200-40799	608	3250	3396·13	104·50	3411·05	104·96	14·92	0·46
40000-44399	456	3550	3660·13	103·10	3664·37	103·22	4·24	0·12

Prescription Numbers (Annual)	Estabs. in band	Mid point of band (RX month)	Monthly receipts under 85 86 fee structure		Monthly receipts under new option		Monthly difference	
			Pounds pharm	Pence RX	Pounds	Pence RX	Pounds pharm	Pence RX
44400-47999	385	3850	3916·64	101·73	3917·69	101·76	1·05	0·03
48000-51599	368	4150	4159·22	100·22	4171·01	100·51	11·79	0·28
51600-55199	188	4450	4392·10	98·70	4424·33	99·42	32·23	0·72
55200-59999	307	4800	4646·38	96·80	4719·87	98·33	73·49	1·53
60000	285	5350	4980·96	94·88	5099·85	97·14	118·89	2·26
66000-71999	198	5750	5430·84	94·45	5522·05	96·04	91·21	1·59
72000-83999	265	6500	6106·60	93·95	6155·35	94·70	48·75	0·75
84000-101900	234	7750	7232·87	93·33	7210·85	93·04	−22·02	−0·28
102000+	169	10550	9755·72	92·47	9575·17	98·76	−188·55	−1·71

Consultants (Distinction Awards)

Mr. Michael McNair-Wilson asked the Secretary of State for Social Services if he will list the services for which distinction awards are made to medical consultants; how many persons are in receipt of these awards annually; what they cost; how much individually can be received; and whether such awards are available to nursing staff.

Mr. Kenneth Clarke: The criteria used by the Advisory Committee on Distinction Awards in making recommendations for awards were set out by the immediate past chairman, Sir Stanley Clayton, in an article published in "Health Trends" (November 1979), copies of which are in the Library. They include direct service to patients or their general practitioners, improvement of the service, training and teaching, research, medical administration, and clinical or academic distinction. Hard work and outstanding service to the National Health Service may alone be sufficient reason for an award, particularly at the B and C grades of award.

The present numbers and value of each grade of award is:

	Number	Value £
A+	162	24,930
A	602	19,200
B	1,649	10,970
C	3,792	4,890

These are in accordance with the recommendations of the Review Body on Doctors' and Dentists' Remuneration as set out in its fifteenth report and accepted by the Government. We do not maintain records to show the amounts actually paid out in distinction awards since the award holder is paid pro rata to the amount of work he does for the National Health Service. The total amount authorised with effect from 1 April 1985 is £52,229,470 of which it is estimated that £43,350,460 is paid.

Distinction awards are made only to consultants and community physicians in the National Health Service and are not available to nursing staff.

Drug Abuse

Mr. Corbyn asked the Secretary of State for Social Services (1) if he will estimate the amount of money spent by each district health authority within the North-East Thames regional health authority since 1982 on *(a)* alcoholism and *(b)* drug dependency;

(2) if he will publish the guidelines on the expenditure by district health authorities on drug rehabilitation.

Mr. John Patten: Information on the expenditure by district health authorities on services for alcohol and drug misusers is not available centrally.

Mr. Alton asked the Secretary of State for Social Services what was the total amount allocated by his Department to counter *(a)* all forms of drug abuse and *(b)* heroin abuse in particular, in each of the last 10 years for which figures are available; and for each year how much of the total allocation was spent on (i) publicity and advertising, (ii) funding of rehabilitation or treatment centres for drug users and (iii) grants to other organisations.

Mr. John Patten: Information is not available in the form requested. The cost of treatment provided for drug misuers by the family practitioner and general psychiatric and other hospital services is not separately identified. £630,000 was made available from central funds in 1984-85 for the Department's drug misuse, education and information campaign including publicity and advertising and £2 million has been allocated to this campaign for 1985-86. Central funding for services for the treatment of rehabilitation of drug misusers for the past 10 years has been as follows:

	£
1975-76	74,000
1976-77	104,000
1977-78	107,597
1978-79	180,593
1979-80	210,842
1980-81	285,690
1981-82	347,360
1982-83	433,174
1983-84	1,351,539
1984-85	2,453,967

Mr. Higgins asked the Secretary of State for Social Services if he will make additional resources available for the Worthing district health authority's proposals to help deal with the problem of drug addiction.

Mr. John Patten: An application under the central funding initiative from Worthing health authority is currently being considered.

Mr. J. Broad

Mr. Colvin asked the Secretary of State for Social Services if he will publish in the *Official Report* a summary of his response to the hon. Member for Romsey and Waterside regarding the social security case of Mr. J. Broad of Wenda, 5 Graemar cottages, Sherfield English, Romsey, Hampshire.

Mr Whitney: I have received a letter from Mr. Broad, and a copy of his letter from my hon. Friend. A reply will be sent shortly and I shall arrange for a copy to be sent to my hon. Friend. It is not the Department's practice to make public details relating to an individual's claim for benefit.

Housing Benefit

Sir David Price asked the Secretary of State for Social Services if he will list the local authorities he assesses to be making full use of their powers to prevent abuse in housing benefit, referred to in paragraph 3·9 of the report of the housing benefit review team, Cmnd. 9520.

Mr. Newton: The housing benefit review team's conclusion that only a minority of authorities are making full use of existing powers to prevent abuse was based on information from a sample of local authorities.

Sir David Price asked the Secretary of State for Social Services what is the present expenditure by local authorities on local schemes of housing benefit; and what costs these represent to central Government.

Mr. Newton: Information from authorities' initial housing benefit subsidy claims indicates that benefit expenditure on local schemes will be about £30 million in 1985-86. Expenditure on local schemes does not qualify for direct subsidy but, in the case of rent rebates and allowance, it counts as relevant expenditure for block grant purposes for local authorities in England and Wales.

NHS Statistics (Rugby)

Mr. Pawsey asked the Secretary of State for Social Services how many doctors, nurses and midwives are now employed in the Rugby district health authority; and how that compares with each year since 1979.

Mr. Kenneth Clarke: Such figures as we hold centrally are shown in the table. However, as the important footnotes make clear, these figures are by no means the complete picture and are of limited practical value, particularly on medical staff numbers.

NHS directly employed staff in Rugby District Health Authority in post at 30 September (whole-time equivalents)

	1979	*1980*	*1981*	*1982*	*1983**
Junior Medical Staff† in the hospital and Community Health Service	29	29	29	23	29
Nursing Staff‡	385	381	‖	416	405
Midwifery Staff‡	34	31	‖	29	31

* Latest date for which information *for* all three groups is available.

† Consultants and Senior Registrars are excluded from the figures as they are employed at RHA and Teaching District levels, and we have no information on their commitment in industrial districts. Also excludes Hospital Practitioners, part-time medical officers (Clinical Assistants), Occasional Sessional Staff in the Community Health Service and Locums.

‡ Includes agency nursing and midwifery staff.

‖ Information held centrally on nursing and midwifery staff in this district is incomplete for September 1981.

In view of the many exclusions, my hon. Friend may wish to seek the latest and more comprehensive figures from the chairman of the Rugby health authority.

NHS (Private Contractors)

Mr. Pendry asked the Secretary of State for Social Services what steps he is taking to ensure that health authorities make a full and complete investigation of the credentials and previous experience of contractors, before awarding them hospital domestic cleaning or other contract; and if he will make a statement.

Mr. Kenneth Clarke: It is for health authorities to satisfy themselves of the suitability and competence of companies before inviting tenders from them. There is no need for districts to make copious enquiries of each contractor if regions have compiled lists of approved contractors for that region.

Limited List Prescribing

Mr. Latham asked the Secretary of State for Social Services whether he will insert mucodyne carbocisteine syrup on the limited list of drugs to assist elderly patients with bronchitis and emphysema.

Mr. Kenneth Clarke: I refer my hon. Friend to my reply on 25 June, at column *385*. We are making arrangements for the committee which will review the selected list to consider mucodyne and other similar mucolytic agents at its first meeting. We will announce details of the committee soon.

Mr. Latham asked the Secretary of State for Social Services (1) whether, following experience of the limited list, he will reconsider the exclusion of dimethicone antacids;

(2) whether, pursuant to the reply on 24 April, *Official Report*, column *500*, he will add xylometazoline nasal spray to the limited list of drugs as an alternative to ephedrine or xylometazoline nose drops for children with sinusitis or catarrh, so as to avoid the need to drip unpalatable fluid into a child's nose;

(3) whether he will put Celevac granules on the limited list in the interest of elderly patients who have difficulty in swallowing Celevac tablets.

Mr. Kenneth Clarke: We will shortly be setting up the committee to review the selected list and keep it up to date. The committee will be free to consider the need for these or any other drugs.

Mr. Latham asked the Secretary of State for Social Services whether, pursuant to the reply on 24 April, *Official Report*, column *500*, he will outline the alternative drugs under the limited list suitable for a child with mild sinusitis or eustachian catarrh where sudafed elixir is discovered to produce symptoms of hyperactivity and sleeplessness in that child.

Mr. Kenneth Clarke: I refer my hon. Friend to my reply to him on 24 April, at columns *500-501*, in which I listed three drugs that doctors might prescribe.

All systemic nasal decongestants contain ingredients that may cause hyperactivity and sleeplessness in children. Psuedoephedrine, the active ingredient of sudafed elixir, is no more likely to cause such symptoms than other drugs in this group.

Doctors (Secretarial Payments)

Mr. Franks asked the Secretary of State for Social Services if he will now make it his policy to alter the rules

governing secretarial payments so as to enable a general practitioner to obtain reimbursement for secretarial work carried out by his wife in the practice.

Mr. Kenneth Clarke: The expenses incurred by general medical practitioners in providing general medical services, including the salaries of ancillary staff, are returned in full to the profession. This includes salaries of dependent relatives. Some expenses are returned direct to individual doctors incurring them and the remainder are returned indirectly, on an average basis, through fees and allowances paid to all GPs.

Seventy per cent. of the salaries of certain ancillary staff are directly reimbursed, but this arrangement has never applied to dependent relatives. A single-handed rural doctor in receipt of a rural practice or inducement payment employing a dependent relative or a doctor employing a dependent relative with a recognised nursing qualification may, however, receive an allowance (currently £1,760) provided the duties performed are qualifying ones. Qualifying duties include secretarial work.

We have followed the policy of successive Governments in deciding that we cannot agree to the inclusion of dependent relatives in the main arrangements for the direct reimbursement of ancillary staff salaries. We have, however, agreed to consider whether changes could be made to the present arrangements, at no additional cost to the taxpayer, in respect of those already covered by the related ancillary staff scheme and at the present level of expenditure incurred.

Cervical Smear Tests

Mr. Alfred Morris asked the Secretary of State for Social Services if he will make a statement on the backlog of cervical smear tests in cytology laboratories; and if he is taking any steps to speed up the examination of the results of such tests.

Mr. Kenneth Clarke: I am well aware of some serious local problems. Recent backlogs are a result of the tragic events at Oxford earlier this year. The resultant publicity has caused many more women to seek a test. Because most cervical cancers develop slowly, some delay in processing does not detract from the value of having a smear taken. However, delays do cause anxiety to some women and backlogs are demoralising for laboratory staff.

Delays in particular laboratories are a matter for local management to resolve and I have asked health authorities to pay particular attention to the problem. However, we are keen to discover whether there are any general problems which can be tackled at the national level. I am particularly concerned about the need to train adequate numbers of staff, as it is the need for trained staff which is causing most of the delays in increasing the pace of work in laboratories at the moment. I am, in the near future, meeting representatives of the British Society for Clinical Cytology to discuss this and other problems. In addition, we are having discussions with representatives of the relevant medical disciplines, including pathology, to explore a number of suggestions for improving the effectiveness of the cervical cancer screening programme.

Mr. Alfred Morris asked the Secretary of State for Social Services how long it is currently taking for the cytology laboratory at Christie hospital, Manchester, to examine and report back to general practitioners on cervical smear tests; if he is satisfied with the present staffing level in the laboratory; and if he will make a statement.

Mr. Kenneth Clarke: The cervical cytology service at the Christie hospital is the responsibility of the South Manchester district health authority. The right hon. Member may therefore wish to make inquiries of the chairman of the authority.

Supplementary Benefit

Mr. Gordon Brown asked the Secretary of State for Social Services if he will publish figures showing the average amount and number of additional requirements to supplementary benefit by category of additional requirement.

Mr. Whitney [*pursuant to his reply*, 10 May 1985, c. *542*]: I regret that there were errors in the information given in my earlier reply. The number of supplementary benefit claimants in receipt of blind additions and age additions should be as follows:

Category	*Average amount* £	*Number of additional requirements (000's)*
Age addition:		
One pensioner aged over 80 in assessment unit	·25	417
Two pensioners aged over 80 in assessment unit	·50	18
Blind addition:		
Claimant or wife	1·25	35
Claimant and wife	2·50	1

Children (Benefits)

Mr. Gordon Brown asked the Secretary of State for Social Services if he can give the latest estimate of the number of children in families in receipt of *(a)* family income supplement, *(b)* supplementary benefit and *(c)* housing benefit.

Mr. Whitney [*pursuant to his reply*, 6 June 1985, c. *232*]: Our best estimates of the number of dependent children in families receiving the specified benefits, at the latest available dates, are as follows:

	No. of children	*Latest available date*
Family Income Supplement (FIS)	417,000	March 1985
Supplementary Benefit	1·8 million	December 1983
Housing Benefit	2·9 million	November 1984

Notes

1. The housing benefit figure includes about 1·7 million children whose families are receiving "certificated" housing benefit and who consequently are receiving supplementary benefit as well.
2. Some children will be included twice because for example their families are receiving both FIS and housing benefit. It is not possible to quantify the overlap.

Newcastle Office (Members' Correspondence)

Mr. Gale asked the Secretary of State for Social Services what is the current delay that hon. Members may

expect before receipt of replies to inquiries resulting from the recent prolonged industrial action at the Newcastle offices of his Department.

Mr. Whitney [*pursuant to his reply*, 17 June 1985, c. *49*]: Inquiries by hon. Members which are referred to central pensions branch, Newcastle are normally answered within 10 days. However, during and in the aftermath of the recent industrial dispute some delays have inevitably occurred. If my hon. Friend has a particular case in mind and lets me have details I shall be pleased to have it investigated.

Hospitals (Infections)

Mr. Ashley asked the Secretary of State for Social Services if he will list those serious outbreaks of infection that have occurred in hospitals in each of the last five years that have been reported to the Public Health Laboratory Service.

Mr. Kenneth Clarke [*pursuant to his reply*, 19 June 1985, c. *169*]: The hospital outbreaks that have been reported to PHLS in the last five years are as follows:

Year	*Outbreaks*	
1980	13	(Salmonellas 4 Clostridium 9)
1981	8	(Salmonellas 5 Clostridium 3)
1982	15	(Salmonellas 4 Clostridium 11)
1983	15	(Salmonellas 9 Clostridium 6)
1984 (provisional)	19	(Salmonellas 4 Clostridium 15)

Legionnaires' Disease

Year	*Outbreaks*
1980	5
1981	1
1982	0
1983	1
1984	0

DEFENCE

Boarding School Allowances

Mr. Andrew F. Bennett asked the Secretary of State for Defence what is the total Government expenditure on boarding school allowances for children of armed forces personnel; and what proportion of the children in boarding schools have parents stationed in the United Kingdom.

Mr. Lee: The total Government expenditure on boarding school allowances for children of armed forces personnel in 1984-85 was £78 million. Seventy-five per cent. of the total number of children attending boarding schools have parents stationed in the United Kingdom.

Woolwich Arsenal

Mr. Cartwright asked the Secretary of State for Defence (1) what is the estimated construction cost of the proposed new office building at Woolwich arsenal; when work is expected to start; and how long it is expected to take;

(2) when he expects to reach a decision on the size and position of the proposed new office block for quality assurance staff at Woolwich arsenal;

(3) whether he has reached a conclusion on the future of the Royal Laboratory pavilions at Woolwich arsenal; and if he will make a statement.

Mr. Lee: Following the creation of the directorate general of defence quality assurance my Department has embarked upon studies which, among other things, will later this year indicate the future best use of land and buildings at the Royal Arsenal Woolwich including the Royal Laboratory pavilions. No decisions have yet been taken regarding the size, position, cost, or date of commencement of a new office block.

Mr. Cartwright asked the Secretary of State for Defence when he expects the present use of the brass foundry at Woolwich arsenal by the National Maritime Museum to come to an end.

Mr. Lee: It is unlikely that the building will be vacated within the next three years.

Royal Navy and Royal Fleet Auxiliary

Mr. Dalyell asked the Secretary of State for Defence if he will list all visits to Chilean ports by ships of the Royal Navy and the Royal Fleet Auxiliary from January 1982 until the present day.

Mr. Stanley: For Royal Navy ship visits to Chilean ports from July 1982 until the present day, I refer the hon. Member to the answer I gave him on 11 June at column *431*. In the first half of 1982, there was one such visit —that by HMS Endurance in January.

There has been one Royal Fleet auxiliary visit to a Chilean port from January 1982 until the present day—that by RFA Regent in March 1983.

Mr. Dalyell asked the Secretary of State for Defence if he will list all Royal Navy ships and Royal Fleet Auxiliaries which travelled to or from the Falklands area via the Panama canal from January 1982 until the present.

Mr. Stanley: Royal Navy ships and Royal Fleet auxiliaries have travelled to or from the Falklands area via the Panama canal on the following occasions from January 1982 until the present day:

Ship	*Date of canal passage*
HMS Hecate	January 1983
RFA Regent	April 1983
HMS Falmouth	August 1983
HMS Herald	October 1983
HMS Endurance	December 1983
HMS Herald	September 1984
HMS Endurance	May 1985

Gordon Barracks

Mr. Pollock asked the Secretary of State for Defence if he will now make a statement on the future use of Gordon barracks, Bridge of Don, Aberdeen.

Mr. Heseltine: We announced last year, following a detailed examination of junior recruit traning, reductions in the size of the junior training organisation. As part of this process the two smallest training barracks, at Bridge of Don and Cwrt-y-Gollen, were earmarked for possible closure. Since then we have examined the possible alternative uses for these two barracks, and I am pleased to announce that we have decided to retain the majority of Gordon barracks for Territorial Army purposes. This will relieve overcrowding in existing Territorial Army sites in Aberdeen and will enable the inadequate facilities at the Hardgate Territorial Army centre to be given up.

This decision means that the maximum military use will be made of this facility while at the same time ensuring that the manpower and financial savings arising out of the rationalisation of junior training will still be achieved.

An announcement on the future use of Cwrt-y-Gollen is also being made today.

Prince of Wales Depot

Mr. Harvey asked the Secretary of State for Defence if he will make a statement on the future use of the Prince of Wales depot at Cwrt-y-Gollen, Crickhowell.

Mr. Heseltine: We announced last year, following a detailed examination of the junior recruit training, reductions in the size of the junior training organisation. As part of this process the two smallest training barracks, at Bridge of Don and Cwrt-y-Gollen, were earmarked for possible closure. Since then we have examined the possible alternative uses for these two barracks, and I am pleased to announce that we have decided to retain the Cwrt-y-Gollen barracks as a training camp, thereby enabling the majority of the less satisfactory facilities at Monmouth to be given up. In addition, the barracks will provide a Territorial Army centre for a hospital detachment thus saving the cost of having to build elsewhere.

This decision means that the maximum military use will be make of this facility while at the same time ensuring that the manpower and financial savings arising out of the rationalisation of junior training will still be achieved.

An announcement on the future use of the Gordon Barracks, Bridge of Don is also being made today.

NATO (Short Range Nuclear Forces)

Mr. Ashdown asked the Secretary of State for Defence when he expects to announce a decision on the modernisation of the North Atlantic Treaty Organisation's short-range nuclear forces.

Mr. Stanley [*pursuant to his reply*, 21 June 1985, c. *246*]: I cannot at present add to the final communiqué of NATO nuclear planning group meeting on 26-27 March 1985, a copy of which is in the Library.

BOAR (Tactical Nuclear Weapons)

Mr. Ashdown asked the Secretary of State for Defence whether any bilateral discussions have taken place between the United States and the United Kingdom Governments on the modernisation of United States tactical nuclear weapons made available to the British Army of the Rhine; and if he will make a statement.

Mr. Stanley [*pursuant to his reply*, 21 June 1985, c. *247*]: There have been no formal bilateral discussions to date in relation to the modernisation of the present generation of United States tactical nuclear weapons in service with BOAR but this issue is being considered in the context of SACEUR's report to the NATO nuclear planning group held on 26-27 March. This report dealt with the measures SACEUR considers necessary to ensure the maintenance of a survivable, responsive and effective nuclear force structure within the reduced stockpile levels decided by Ministers at Montebello in August 1983.

Polaris

Mr. Ashdown asked the Secretary of State for Defence if he will give in current and constant prices the annual expenditure on Polaris from 1963 to the latest year for which figures are available.

Mr. Butler [*pursuant to his reply*, 21 June 1985, c. *247*]: I refer the hon. Member to the answer given by my hon. Friend the Under-Secretary of State for Defence Procurement to the hon. Member for Houghton and Washington (Mr. Boyes) on 1 March 1985 at column *301*, which gave estimates of the capital costs of the Polaris, Chevaline and Polaris remotoring programmes at 1984-85 prices. Annual expenditure figures for these programmes are not available in the form requested. However, I would refer the hon. Gentleman to successive statements on the defence Estimates which have indicated the overall levels of expenditure on the strategic nuclear forces.

Written Answers to Questions

Thursday 27 June 1985

PRIME MINISTER

Nuclear-powered Submarines

Q25. **Mr. Dalyell** asked the Prime Minister if she is satisfied with the capability of Her Majesty's nuclear-powered fleet submarines to keep in continuous contact with surface ships; and if she will make a statement.

The Prime Minister: I am satisfied that the capability of the Royal Navy's Fleet submarines to keep in contact with surface ships, which they are shadowing, is well up to the level achievable within the constraints of current technology.

Disarmament

Q56. **Mr. Latham** asked the Prime Minister whether she will make a statement on the latest position regarding disarmament negotiations in which the United Kingdom is directly involved; and whether any early progress is envisaged.

The Prime Minister: The Geneva conference on disarmament reconvened on June 11. With our Allies we shall be pressing in particular for progress on verification issues in the negotiations for a worldwide chemical weapons ban. At the MBFR talks in Vienna, an Eastern proposal was tabled earlier this year. This is now being studied carefully. The Stockholm conference on disarmament in Europe is now in its sixth session. We and our Allies are participating in detailed discussion of the proposals tabled with the aim of reaching agreement on practical confidence and security building measures. The prospects for progress in these negotiations will depend on the willingness of all other participants to agree on the necessity for balanced and verifiable measures.

Crown Immunity

Q140. **Mr. Ashley** asked the Prime Minister if she will set up an inter-departmental inquiry to assess the desirability of ending Crown immunity.

The Prime Minister: I have at present no plans to do so.

Engagements

Mr. Teddy Taylor asked the Prime Minister if she will list her official engagements for Thursday 27 June?

Mr. Pike asked the Prime Minister if she will list her official engagements for Thursday 27 June.

Mr. Leigh asked the Prime Minister if she will list her official engagements for Thursday 27 June.

Mr. Peter Bruinvels asked the Prime Minister if she will list her official engagements for Thursday 27 June.

Mr. Tony Lloyd asked the Prime Minister if she will list her official engagements for Thursday 27 June.

The Prime Minister: This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall be having further meetings later today. This evening I shall be travelling to Milan for a meeting of the European Council.

Agricultural Structures Regulation

Dr. David Clark asked the Prime Minister if she will make a statement on the co-ordination between the Department of the Environment and the Ministry of Agriculture, Fisheries and Food on the consultations on the implementation of the European Commission's new agricultural structures regulation.

The Prime Minister: Officials of the Ministry of Agriculture, Fisheries and Food have kept in close touch with officials of the Department of the Environment over the implementation of the environmental aspects of the European Community's new agricultural structures regulations.

Trade Statistics

Mr. Hickmet asked the Prime Minister if she will make a statement about the current imbalance in trade between Japan and the United Kingdom, the European Economic Community and the United States of America; and what the consequences are for world trade stability if current trends are not reversed.

The Prime Minister: The United Kingdom, the European Community and the United States each had a substantial deficit in their visible trade with Japan in 1984. We and our Community partners have expressed strong concern about the mounting trade and current account surpluses being accumulated by Japan and about the consequent strain placed upon the multilateral trading system through the impetus given to protectionist pressures.

WALES

Agriculture Unions (Representations)

Mr. Wigley asked the Secretary of State for Wales what representations he has received during the past three months from the agricultural unions in Wales; and if he will list the issues raised by them.

Mr. Nicholas Edwards: I am in regular contact with the farming unions in Wales on most agricultural issues, particularly those affecting the livestock and dairying sectors.

Apprentices

Sir Raymond Gower asked the Secretary of State for Wales what is his latest information regarding the numbers of apprentices in Welsh industry and the numbers who commenced apprenticeships during the past 12 months.

Mr. John Stradling Thomas: The information is not available in the form requested. However, the latest estimate taken from the Department of Employment's regular survey of employers relating to March 1985 is that there are some 2,800 apprentices in manufacturing industry in Wales. No information is available centrally on the numbers of commencements of apprenticeships.

MV Bridgeness

Dr. David Clark asked the Secretary of State for Wales if he will make a statement on the environmental effects of the MV Bridgeness running aground on the Hats and Barrels reef off south-west Wales on 16 June.

Mr. Wyn Roberts: Initial indications are that about 2,100 birds have been affected by oil to varying degrees following the oil spillage resulting from the MV Bridgeness incident off the south-west Wales coast. The birds were mainly on the islands of Grassholme, Skomer, Ramsey and Bishops and Clerks and were principally guillemots, puffins and razor bills. There were very few gannets affected. In addition, about 400 dead birds have been taken off the shore.

There is no risk to grey seals or otters, and there is no direct effect of the oil spill on fisheries in the area. No significant quantities of oil have reached the mainland shore, but local authorities continue to keep a close watch on the situation.

As it will be several weeks before a full assessment can be made of the long-term effects of the incident on birdlife in this important breeding area, I shall write to the hon. Gentleman when this has been completed.

TRADE AND INDUSTRY

Demergers

62. **Mr. Nicholas Baker** asked the Secretary of State for Trade and Industry if he has any plans to amend the legislation relating to demergers.

Mr. Fletcher: On 25 May 1984 the Department of Trade and Industry published a consultative document on the implementation of the sixth company law directive on the division of public limited companies, of which a copy was placed in the Library. A further document will be published later this year.

Japan

Mr. Baldry asked the Secretary of State for Trade and Industry what action the Government are seeking to take against the Japanese offering of unusually favourable credit terms to secure projects for Japanese firms.

Mr. Fletcher: The Government will raise the question of official Japanese financing terms for international projects in the OECD. It will be seeking a new definition of "tied-aid" credit within the OECD consensus agreement. This would embrace the type of credit arrangements currently provided by the Japanese Government, and would subject them to greater international discipline and transparency.

Mr. Hickmet asked the Secretary of State for Trade and Industry if he will make a statement about the access of British financial, banking and other institutions and companies to Japanese financial, insurance, commercial and stockbroking markets; and what representations he has made to open up such markets to British companies.

Mr. Fletcher: Japanese financial markets are still extensively protected. Despite some progress, British access to them remains much more limited than Japanese access to the City of London; moreover, Japanese regulation also effects the extent of business opportunities. The imbalance is particularly heavy in the securities dealing sector, and needs to be redressed. My right hon. Friend made representations during his visit to Japan in April. We will at every opportunity continue to press the Japanese authorities not to delay decisions implementing the policy of liberalisation to which they are committed.

Mr. Hickmet asked the Secretary of State for Trade and Industry if he will list those non-tariff trade barriers in Japan known to his Department to have existed at some time since 1979 and those which are existing today; and if he will make a statement.

Mr. Fletcher: The most recent study of non-tariff barriers in Japan was conducted in 1984 by the European Business Council in Tokyo, a copy of which has been placed in the Library. Since 1979 some progress has been made in reducing the incidence of non-tariff barriers; for example, the increased acceptance of foreign test data. Those that remain are the subject of representations through the European Community and bilaterally.

Mr. Hickmet asked the Secretary of State for Trade and Industry what complaints he has received from British companies and other interested bodies since 1979 about Japan's non-tariff barriers.

Mr. Fletcher: My Department receives a number of complaints from British companies and other interested bodies about non-tariff barriers in Japan. The sectors affected include telecommunications, tobacco, pharmaceuticals and medical equipment, electric appliances, cosmetics, food additives and motor vehicles. In addition, more general problems have been raised involving labelling, counterfeiting and the organisation of the retail and distribution system.

Mr. Hickmet asked the Secretary of State for Trade and Industry if he will estimate the value by which British exports to Japan have been reduced as a result of Japanese non-tariff trade barriers.

Mr. Fletcher: Non-tariff barriers can take many forms, including, for example, the structure of the retail and distribution system. It is not practicable to offer an estimate of their effect.

Mr. Hickmet asked the Secretary of State for Trade and Industry if he will list those companies known to his Department to have been affected adversely by Japan's non-tariff trade barriers since 1979.

Mr. Fletcher: No. Such information is normally given in confidence.

Mr. Hickmet asked the Secretary of State for Trade and Industry on how many occasions he or his Department have made representations to the relevent Japanese authorities about Japan's non-tariff trade barriers; what was the response in each case; and if he will make a statement.

Mr. Fletcher: Representations are made both bilaterally and through the European Community on the basis of a list of outstanding problems. While Japan has made some concessions on non-tariff barriers a number of problems still remain.

Mr. Hickmet asked the Secretary of State for Trade and Industry if he will make a statement about Japan's predatory pricing policies and the dumping of credit to obtain international capital contracts; what representations

he has made to the Japanese authorities about those policies; and what the Japanese authorities have done as a result.

Mr. Fletcher: We have at all levels made clear to the Japanese authorities our view that some of their financing tactics to secure international projects, though within the letter of the international rules, are nevertheless inconsistent with Japan's stated determination to limit its trade surplus. As the Japanese Government know, we will be seeking further examination of these credit issues in the OECD. My right hon. Friend the Foreign and Commonwealth Secretary and I have conveyed our concerns clearly to the Japanese ambassador here in London.

We remain hopeful that our efforts to sustain the mutual benefits of a responsible trade relationship between the United Kingdom and Japan will succeed.

Mr. Hickmet asked the Secretary of State for Trade and Industry if he will make a statement about the current imbalance in trade between the United Kingdom and Japan and between Japan and the EEC as a whole; and if he will estimate what the imbalance will be if the current trend continues for the next five years.

Mr. Fletcher: In 1984 the United Kingdom had a visible trade deficit with Japan of £2·8 billion while the EC's deficit stood at $10·1 billion. Future estimates are subject to great uncertainty, but if current trends continue, the forecast is that Japan's trade surplus will continue to rise.

Mr. Hickmet asked the Secretary of State for Trade and Industry what study he has conducted into the effect of the value of the Japanese yen upon trade between the United Kingdom and Japan and between the United Kingdom and other countries where Japan is competing against British companies.

Mr. Fletcher: Both the Government and British companies competing overseas keep a close watch on the effective exchange rate of the yen against sterling and other trading currencies. The competitiveness of exports and imports depends upon a wide range of factors, including interest rates and financing arrangements, as well as the price and quality of the goods and services offered.

BT Shares

Mr. Gould asked the Secretary of State for Trade and Industry, further to the answer of 13 June, *Official Report*, column *499-500*, what steps he has taken to satisfy himself that no City firm made allocations of British Telecom shares to individual employees in amounts greater than the limit of 800 shares applied to ordinary investors.

Mr. Butcher [*pursuant to his reply*, 19 June 1985, c. *143*]: Allocations of shares under the United Kingdom public offer were made by six receiving banks according to an allotment policy announced by my hon. Friend on 3 December 1984. Under this policy all non-preferential applications were subject to the same maximum allotment of 800 shares regardless of who submitted them. I am satisfied that this allotment policy was fully implemented by the receiving banks. Only substantial institutions and funds were eligible for the placing arrangements described in my answer of 13 June and the brokers acting as intermediaries were required to check this at the time of the offer. A subsequent check of the 2,127 applications submitted under those arrangements has shown that none was in the names of employees of City firms, though three applications for a total of 31,900 shares were erroneously submitted by three employees of an eligible fund based overseas, following a misunderstanding of the arrangements. I understand that the profits from the acquisition of those shares have now been surrendered to charity.

DEFENCE

Royal Navy (Vessel Orders)

Dr. Godman asked the Secretary of State for Defence what is the current value of his Department's orders of surface vessels and submarines for the Royal Navy; and what is the estimated value of such orders for vessels to be placed in 1985 and 1986.

Mr. Lee: Following the acceptance of Ark Royal from the shipbuilder later this month, the value of current orders will be approximately £2,500 million at 1984-85 prices. Orders for 1985 and 1986 will be announced as and when appropriate.

SCOTLAND

Fishing Industry

Dr. Godman asked the Secretary of State for Scotland what contribution the fishing industry made to the Scottish economy, as a proportion of gross domestic product, in the last year for which figures are available.

Mr. John MacKay: I estimate that in 1983, the latest year for which figures are available, the Scottish fishing industry — that is, the catching sector — contributed rather less than one half of 1 per cent. of total Scottish gross domestic product.

Dr. Godman asked the Secretary of State for Scotland what is his estimate of the proportion of the Scottish work force employed in the fishing industry and activities allied with it.

Mr. John MacKay: I estimate that about 1 per cent. of the Scottish work force is employed in the fishing industry and related sectors such as fish processing and distribution.

Labour Statistics

Dr. Godman asked the Secretary of State for Scotland how many people below the age of 25 years are currently unemployed in *(a)* the Greenock travel-to-work area, *(b)* Strathclyde region and *(c)* Scotland.

Mr. Allan Stewart: I refer the hon. Member to my right hon. Friend's letter of 22 October 1984. The information requested is available in the Library.

Agricultural Development Projects

Dame Judith Hart asked the Secretary of State for Scotland if he will list the research and development projects in agriculture and agricultural engineering, respectively, which were approved for financial support in 1985-86 by DAFS and those in each category from which support has since been withdrawn.

Mr. Younger: Following is a list of the programmes of research approved for 1985-86 at the Scottish agricultural research institutes and the Scottish agricultural colleges. Support has been withdrawn from none.

Scottish Agricultural Research Institutes

Institute	*Programme*
Animal Diseases Research Association	Non-respiratory microbial diseases.
	Diseases and nutritional and physiological disorders associated with reproduction.
	Microbial respiratory diseases.
	Mineral disorders: excesses and deficiencies of trace and macro elements.
	Gastro-intestinal nematode parasites; production loss and immunity.
	Sheep disease surveillance.
Hannah Research Institute	Milk utilisation.
	Limits to milk production.
	Feeding for milk production.
Hill Farming Research Organisation	Factors affecting production of herbage from hill and upland pasture.
	Ecology of grazing systems.
	Factors affecting sheep performance in hill and upland environments.
	Factors affecting beef cow and calf performance in hill and upland environments.
	The husbandry of red deer.
	The effect of nutrient supply and supplement use on the digestion, metabolism and performance of grazing sheep.
	Systems studies in ruminants.
	Possible role for goats in hill sheep farming systems.
Macaulay Institute for Soil Research	Mineral soils: their development, composition and properties.
	Trace elements: their origin, distribution and specification in soils and plants in relation to their effects in agriculture.
	Soil survey of Scotland.
	Nature and properties of soil organic matter.
	Role of micro-organisms in soils, especially in soil/plant relationships.
	The survey, characterisation and monitoring of peat, land resources and terrain features.
	Soil factors affecting crop production.
	Factors affecting crop and plant composition.
	Nutrition and distribution of plants and plant communities on organic and other marginal soils in Scotland.
	Statistical methods for soil-crop research and the development and management of computer techniques and equipment.
Rowett Research Institute	Metabolic and pathological consequences of inorganic element deficiencies.
	Nature and mechanisms of action of antagonists of dietary copper.
	Absorption and metabolism of inorganic elements.
	Growth; energy expenditure, protein synthesis, degradation and turnover.
	Growth; regulation, tissue deposition and turnover, measurement.
	Growth; structural proteins and muscle fibres.
	Growth; control and measurement.
	Physiology of digestion.
	Pigs; nutrition growth and reproduction.
	Nutritional and physiological factors affecting productivity of sheep.
	Nutritional and physiological factors affecting cattle and deer productivity.
	Nutrition, growth, reproduction and husbandry of the commercial meat rabbit.
	Metabolic and membrane-structural effects of dietary saturated cis-and trans-unsaturated, and methyblanched, fatty acids on animal tissues with specific reference to the cardio vascular system.
	Plant dietary toxins.
	Nitrogen metabolism in the rumen.
	Digestion of fibre in the rumen.
	Energy metabolism and feed utilisation.
Scottish Crop Research Institute	Basic studies mainly relating to host/parasite interactions.
	To provide improved cultivars of cereals and more effective breeding methods.
	The biology and control of diseases and pests of cereal crops in northern Britain.
	The biology and control of diseases and pests of forage crops in northern Britain.
	To provide improvide cultivars of fodder crucifers and more effective breeding methods.
	To provide improved cultivars of potatoes and more effective breeding methods.
	Physiological mechanisms relating to the growth of arable crops.
	The manipulation of factors influencing the yield and quality of arable crops grown in northern Britain.
	The biology and control of weeds, diseases and pests of arable crops in northern Britain.
	The biology and control of weeds, diseases and pests in soft fruit crops in northern Britain.
	Physiological mechanisms relating to the growth of fruit crops.
	The manipulation of factors influencing the yield and quality of fruit crops grown in northern Britain.
	To provide improved cultivars of soft fruit and more effective selection methods.
	The biology and control of diseases and pests of vegetable crops in northern Britain.
	The manipulation of factors influencing the yield and quality of vegetable crops in northern Britain.
	The biology and control of diseases and pests or ornamental crops in northern Britain.

Institute	*Programme*
Scottish Institute of Agricultural Engineering	Soil mechanics and cultivations Mechanisation of the production and handling of the potato crop Engineering for the uplands Liaison: general

Scottish Agricultural Colleges

Programm	*Objectives*
1. Dairy cattle: milk and products	To improve reproductive performance and to reduce losses of young animals.
2. Beef cattle	To improve genetic qualities related to productivity.
3. Sheep	To improve the utilisation of conventional and novel feeds.
4. Pigs	To reduce the effects of disease and to improve animal health. To develop more efficient systems of production. To improve consumer quality and safety of food product.
5. Poultry	To improve reproductive performance and to reduce losses of young chicks. To improve genetic qualities related to productivity. To improve the utilisation of conventional and novel feeds. To reduce the effects of disease and to improve animal health. To develop more efficient systems of production. To improve consumer quality and safety of food product.
6. Animals general	To increase productivity and to improve product quality in relation to market requirements. To increase productivity and to improve product quality in relation to market requirements. To improve use of animal wastes and to reduce or remove pollution hazards.
7. Grass and forage legumes	To promote improved output by variety testing and work related to genetical characteristics. To increase input efficiency and improve crop management. To improve sward characteristics of lowland, upland and hill grazings. To reduce loss by improved control. To assess environmental effects in order to alleviate adverse effects and to exploit favourable factors. To evaluate economic factors. To improve production methods and nutritive value of conserved forage. To improve amenity grass and to establish cultivars suitable for various amenity purposes. to promote efficient seed production.
8. Cereals	To promote improved cereal production by variety testing and work related to genetical characteristics. To increase input efficiency and crop managementTo reduce crop loss due to disease, pests and weeds. To improve harvesting practices, storage and product quality.
9. Other arable crops, potatoes, roots, forage brassicae, pulses etc.	To increase productivity and to improve product quality in relation to market/feeding requirements.
10. Horticultural crops	To increase productivity and to improve quality and seasonal availability in relation to market requirements of field vegetables, soft fruit, protected crops and ornamentals.
11. Crops general	To increase productivity and to improve product quality and seasonal availability in relation to market requirements.
13. Buildings and engineering	To improve functional efficiency of farm buildings and to promote economical provision and use. To improve functional efficiency of field machinery and to promote economical provision and use. To improve functional efficiency of steading machinery and plant and to promote economical provision and use.
14. Economics	To promote increased efficiency through better understanding of the economics of production and of the most cost effective practices. To promote increased efficiency through better understanding of market requirements and of the supply/price outlook. To provide economic information for policy purposes.
15. Soils and drainage	To promote increased efficiency through better understanding of soil chemical properties and soil/plant nutrients. To promote increased efficiency through a better understanding of soil structure and other soil physical properties. To promote increased efficiency through a better understanding of factors determining the most cost effective drainage practices.
16. General studies	To improve agricultural and horticultural productivity.

Agricultural Research

Dame Judith Hart asked the Secretary of State for Scotland (1) what information he has as to how much was spent by industry in each of the last six years to fund agricultural research in Scottish universities;

(2) what funding has been provided by industry to agricultural research in Scotland in each of the last six years;

(3) what commitments have been made by industry for the funding of research in agriculture in Scotland for 1985-86, 1986-87 and 1987-88.

Mr. Younger: The information is not available.

Scottish Institute of Agricultural Engineering

Dame Judith Hart asked the Secretary of State for Scotland what funding has been provided by industry to the Scottish Institute of Agricultural Engineering in each of the last six years.

Mr. Younger: The figures are as follows:

	£
1979-80	4,940
1980-81	6,879
1981-82	1,304
1982-83	60
1983-84	Nil
1984-85	7,569

Dame Judith Hart asked the Secretary of State for Scotland what commitments have been made by industry for the funding of research for work at the Scottish Institute of Agricultural Engineering for 1985-86, 1986-87, and 1987-88.

Mr. Younger: The value of commitments entered into at this period in time is as follows:

	£
1985-86	31,847
1986-87	11,500
1987-88	Nil

NORTHERN IRELAND

Local Enterprise Development Unit

Mr. Peter Robinson asked the Secretary of State for Northern Ireland what has been the average cost of each job created by the Local Enterprise Development Unit in each of the last five years.

Dr. Boyson: The information is as follows:

Financial years	*Average cost per job promoted* £
1980-81	3,433
1981-82	3,217
1982-83	3,452
1983-84	3,553
1984-85	4,399

Ewe Premium

Mr. John David Taylor asked the Secretary of State for Northern Ireland when he proposes to issue payment of the ewe premium in the current year.

Dr. Boyson: Payment of the ewe premium is made after the end of the relevant European Community marketing year, except for flocks in the less favoured areas where a partial advance is made. Payments for the marketing year which ended on 26 May will commence shortly after the rate has been determined by the Commission.

Calf Subsidy

Mr. John David Taylor asked the Secretary of State for Northern Ireland when he proposes to issue payment of the calf subsidy for calves purchased in early March.

Dr. Boyson: Payments of calf premium in respect of calves certified as eligible in February and March have been made since late March, 11,125 claims in respect of 74,000 calves have been processed, and some 160 claims remain to be paid. Payments are being made as quickly as possible.

Criminal Injuries (Compensation)

Mr. Stephen Ross asked the Secretary of State for Northern Ireland (1) if he will publish in the *Official Report* a table giving the amounts in each year since 1 January 1977 of payments made to members of the security forces (Royal Ulster Constabulary, Royal Ulster Constabulary Reserve, British Army and Ulster Defence Regiment) under the Criminal Injuries Compensation (NI) Order 1977;

(2) if he will publish in the *Official Report* a table giving the amounts in each year since 1 January 1977 of payments made to civilians under the Criminal Injuries Compensation (NI) Order 1977.

Mr. Scott: The information can be provided only in relation to financial years and is as follows:

Year	*Payments to civilians* £	*Payments to members of the security forces* £	*Total* £
1977-78*	4,204	1,086	5,290
1978-79	205,358	93,435	298,793
1979-80	966,610	329,639	1,296,249
1980-81	3,050,000	1,563,112	4,613,112
1981-82	2,548,397	1,115,214	3,663,611
1982-83	4,031,210	2,170,941	6,202,151
1983-84	5,011,570	2,493,130	7,504,700
1984-85	4,948,306	3,468,510	8,416,816

*Note: The figures for 1977-78 are from 9 August 1977 when the Criminal Injuries (Compensation) (Northern Ireland) Order 1977 came into operation.

Prisoners (Parole)

Mr. McNamara asked the Secretary of State for Northern Ireland how many members of the security forces convicted of offences in Northern Ireland and sentenced to custodial sentences have been allowed to return to Great Britain on parole for humanitarian reasons in each of the last 10 years.

Mr. Scott: There is no parole scheme in Northern Ireland. There are provisions for home leave for certain sentenced inmates, but I regret that information about the grant of leave to former members of the security forces is not readily available.

Prisoners (Transfers)

Mr. McNamara asked the Secretary of State for Northern Ireland how many members of the security forces convicted of crimes in Northern Ireland and sentenced to custodial sentences have been returned to Great Britain to serve the whole or part of their sentence in each of the last 10 years.

Mr. Scott: The information is as follows:

Year	*Number of Transfers*
1975	6
1976	2
1977	12
1978	7
1979	0
1980	0
1981	2
1982	1
1983	1
1984	3
1985 (to 31 May)	0

Sons of William Annual Band Parade

Rev. William McCrea asked the Secretary of State for Northern Ireland (1) if he will call for a report from the

Chief Constable as to how many police officers were on duty for the Sons of William annual band parade between the hours of 7 o'clock and 10 o'clock in Cookstown, County Tyrone, Northern Ireland in 1984 and 1985, respectively;

(2) what were the costs of policing the Sons of William annual band parade in the years 1984 and 1985, respectively.

Mr. Scott: I shall reply to the hon. Gentleman as soon as possible.

Community Activities (Financial Support)

Mr. John Mark Taylor asked the Secretary of State for Northern Ireland what plans he has to ensure that Government financial support for community activities is not used to foster the aims and objectives of paramilitary interests.

Mr. Hurd: It is the Government's policy to encourage voluntary and community-based activity which has the genuine aim of improving social, environmental or economic conditions in areas of need, and various grant-aid schemes exist for such purposes. However, I am satisfied, from information available to me, that there are cases in which some community groups, or persons prominent in the direction or management of some community groups, have sufficiently close links with paramilitary organisations to give rise to a grave risk that to give support to those groups would have the effect of improving the standing and furthering the aims of a paramilitary organisation, whether directly or indirectly. I do not consider that any such use of Government funds would be in the public interest, and in any particular case in which I am satisfied that these conditions prevail no grant will be paid.

HOME DEPARTMENT

Independent Radio (Northern Ireland)

Mr. Bellingham asked the Secretary of State for the Home Department if he will make a statement about independent local radio in Northern Ireland.

Mr. Brittan: An independent local radio station in Belfast began broadcasting in 1976. In 1979, following the second report of the Home Office local radio working party, my noble Friend the Viscount Whitelaw approved the location of a station in Londonderry, and the Independent Broadcasting Authority subsequently offered the Londonderry franchise to a local consortium. In the event, the consortium was unable to complete the preparatory arrangements within a reasonable time scale, and in 1984 the IBA felt compelled to withdraw the offer.

As outlined in the reply to a question from my hon. Friend the Member for Hertfordshire, South-West (Mr. Page), on 28 March, at columns 284-85, the funds available to the IBA for extension of the local radio network are now severely constrained. Moreover, in the light of broadcasting and other developments in recent years, the IBA takes the view that few of the areas which were approved for independent local radio purposes but which remain unserved, such as Londonderry, would at present attract an advertising income sufficient, on their own, to sustain an independent local radio station. As a means of bringing a service to Londonderry, therefore, the IBA has sought my approval to an initiative along the lines of that which I approved for four locations in Great Britain in my statement on 28 March. In Northern Ireland, this would involve extending the Belfast franchise area to include Londonderry, and advertising the extended areas as and when the contract for the existing Belfast franchise is due to expire. In addition, the contractor for the new area would be expected to provide the means, by way of advance payment, to enable the IBA to install transmitting equipment and allied facilities for the extended area. The extended area may include Omagh and Enniskillen, depending upon the potential contractor's assessment of the relationship between forward funding costs and population coverage.

I have carefully considered the IBA's request. I recognise that an ILR franchise extending to the greater part of Northern Ireland may not be thought to be wholly consistent with the concept of local radio. Nevertheless, I accept that, as with the corresponding initiative in four areas in Great Britain, mentioned in my earlier statement, localities at present unserved are likely to remain so for the foreseeable future unless a new approach is adopted. I have also taken note that, as in Great Britain, the IBA will seek to acquire relevant programming for and representation from the new area. I have therefore decided to approve the IBA's proposals in principle, subject to the outcome of local consultation in accordance with section 19(3) of the Broadcasting Act 1981. The IBA and I attach particular importance to this consultation process. If, in the light of it, the proposed extension of the existing franchise area is generally unacceptable locally, the revised arrangements will not take place, and the IBA will seek to re-let the existing franchise area only. If, however, the proposals are found to be generally acceptable, the extension of the franchise area will not preclude the setting up of separate ILR stations in Northern Ireland in the future if circumstances permit.

Young Persons (Unruliness Certificates)

Mr. Batiste asked the Secretary of State for the Home Department what proportion of the under 17-year-old population were committed under unruliness certificates in West Yorkshire in each of the last five years; and what was the proportion nationally in each such year.

Mr. Mellor: The readily available information is given in the following table. It is not possible to identify separately those committed under a certificate of unruliness.

Population aged 14 and under 17 of Prison Department establishments in West Yorkshire and England and Wales on 30 June: the proportion on remand

*Percentage of total**

	1980	*1981*	*1982*	*1983*	*1984*
West Yorkshire†					
Untried‡	13	22	17	10	14
Convicted unsentenced	21	21	23	6	3
England and Wales					
Untried‡	5	5	4	4	7
Convicted unsentenced	10	11	11	3	2

* All prisoners aged under 17 excluding non-criminal prisoners.

† Leeds prison, New Hall detention centre, Rudgate prison, Thorp Arch remand centre, Wakefield prison and Wetherby borstal/youth custody centre; juveniles on remand are held in Leeds prison and Thorp Arch remand centre.

† Juveniles in this category may only be remanded under the unruliness certification procedure. Boys aged 14 could only be so remanded up to 31 March 1981.

Most juveniles in this category are thought to have been committed to the Crown court for sentence under section 37 of the Magistrates' Courts Act 1980, which does not require the issue of a certificate of unruliness, but it is not possible to identify how many others may have been remanded under the unruliness certification procedure.

Bail Hostels

Mr. Irving asked the Secretary of State for the Home Department if he will state the location of bail hostels in England and Wales, the number of beds available in each hostel and the percentage occupancy of each hostel during 1984.

Mr. Mellor: The location, number of available places and percentage occupancy during 1984 for the 17 approved bail hostels in England and Wales are as follows:

Name	*Location*	*Approved places on 31 December 1984*	*Percentage occupancy during 1984*
Basildon	Basildon, Essex	15	77
Blackburn	Blackburn, Lancashire	12	77
Clark's House	Oxford	12	74
Corfton Road	Ealing, London	18	73
Curtis House	Liverpool	8	77
Dudley Centre	Newton Abbot, Devon	16	64
Howard House	Leicester	17	89
Howden House	Leeds, West Yorkshire	15	80
Kelley House	London, NW1	12	61
Kew	Kew, London	14	72
Lichfield Road	Stafford	12	83
Marshall House	Wolverhampton, West Midlands	15	61
South Bank	Middlesbrough, Cleveland	20	73
St. Mungo's	Battersea, London	9	89
Tulse Hill	Tulse Hill, London	24	57
Welford	Aston, Birmingham	19	81
Westmorland Road	Newcastle-upon-Tyne	9	71

In addition, there are 16 combined probation and bail hostels with 309 places, of which about half are usually taken by persons on bail, and 65 probation hostels with 1,199 places, which, although mainly intended for persons on probation, will also take a few persons on bail if they have vacancies. On 31 May 1985 there were 528 persons remanded on bail to approved hostels of all types.

Mr. Irving asked the Secretary of State for the Home Department what is the average cost per day of a bail bed in a bail hostel and the average cost per day of a prison remand place.

Mr. Mellor: The average cost of an occupied place in approved bail, probation-bail and probation hostels, less payments received from residents, but before deduction of the local authority flat-rate contribution, was £131 a week in the financial year 1983-84. No separate figure is available for the cost of a bail place in a bail hostel, but it is not likely to vary much from this.

The costs of holding different types of prisoner in penal establishments are not available. During 1983-84, the latest year for which information is available, the average weekly cost of keeping a person in a local prison or remand centre was £216.

Drink-related Offences

Mr. Colvin asked the Secretary of State for the Home Department if he will assess the relationship between drink-related offences and the number of public houses in a particular locality.

Mr. Mellor: We have no plans to do so. It is doubtful whether an assessment of the relationship between the number of drink-related offences and the availability of alcohol in particular localities would be useful if the investigation was limited to the number of public houses and took no account of the total number of licensed premises.

Prisons (Security)

Sir John Farr asked the Secretary of State for the Home Department if is satisfied that proposed economies in top security prisons will not result in less prisoner security.

Mr. Mellor: The measures we are taking are intended to make the most effective use of resources. The present levels of security will be maintained.

Shackleton Report

Mr. McNamara asked the Secretary of State for the Home Department if he intends to implement the recommendation made by the Shackleton report that public assistance should be given to the members of families of persons excluded under the Prevention of Terrorism (Temporary Provisions) Acts to the Republic of Ireland or Northern Ireland.

Mr. Brittan: No. My noble Friend the Viscount Whitelaw, the then Home Secretary, gave careful consideration to this in 1980 and concluded that such a scheme could not be justified.

Prisoners

Mr. McNamara asked the Secretary of State for the Home Department how many prisoners giving as their domicile *(a)* the Republic of Ireland or *(b)* Northern Ireland have been permitted to return home to Northern Ireland or the Republic of Ireland on parole for humanitarian reasons in each of the last 10 years.

Mr. Mellor: This information is not available.

Mr. McNamara asked the Secretary of State for the Home Department how many prisoners in British prisons give as their place of domicile *(a)* the Republic of Ireland and *(b)* Northern Ireland; and how many of those prisoners in each category were serving sentences for terrorist-type offences.

Mr. Mellor: The information which is readily available relates to prisoners' place of birth and to terrorist-type prisoners held in category A. At 31 March 1985 there were in England and Wales 702 prisoners who gave as their place of birth the Republic of Ireland and 346 who gave Northern Ireland. Of those, 14 born in the Republic of Ireland and 30 born in Northern Ireland had been convicted of terrorist type offences and were held in category A.

Mr. McNamara asked the Secretary of State for the Home Department if, in the light of improved security co-operation between the Republic of Ireland and Great Britain, he will review his policy on the repatriation to the Republic of Ireland for completion of their sentences of prisoners giving as their domicile the Republic of Ireland.

Mr. Mellor: My right hon. and learned Friend has no present plans to do so.

Mr. McNamara asked the Secretary of State for the Home Department how many prisoners in British prisons

who give as their domicile Northern Ireland have been returned to Northern Ireland to serve the whole or part of their sentences in each year since 1969; and how many of these prisoners were serving sentences for terrorist-type offences.

Mr. Mellor: The following table gives the number of permanent transfers of prisoners to Northern Ireland from both England and Wales and Scotland since 1974. Reliable information is not available prior to 1974. In addition, there has been a number of prisoners who were transferred temporarily to Northern Ireland for court appearances who subsequently remained there. Domicile in Northern Ireland is normally required before transfer is agreed.

	Number
1974	1
1975	*13
1976	0
1977	0
1978	0
1979	1
1980	2
1981	0
1982	0
1983	3
1984	1

* Four of these were category A prisoners convicted of terrorist-type offences.

Charities

Mr. Madden asked the Secretary of State for the Home Department if he will introduce legislation to amend the Charities Act 1960 so as to make it a condition of charitable status that, in their employment policies and practices, charities follow a policy of strict non-discrimination on religious grounds.

Mr. Mellor: The charitable status of an organisation depends on whether its objects are charitable in law. It seems right that it should remain so and we therefore see no reason at present for singling out charities in this way.

Firearms Act 1968

Mr. Ron Davies asked the Secretary of State for the Home Department if he will give the names of those responsible bodies and organisations which, to date, have made formal written submissions containing an objection, a legal submission that the proposed condition is ultra vires or alternatives in the interests of public safety, to the territorial recommendations included in his recent working party report into the administration of the Firearms Act 1968.

Mr. Giles Shaw: As I stated in my reply to the hon. Member's question on 5 June, at columns 159-60, we have not yet begun our formal review of the operation of the working party's recommended territorial condition. The British Deer Society and the Shooting Sportsperson's Liaison Committee, however, have already submitted comments in anticipation of the review and I am aware that the latter organisation's submission includes a legal opinion.

Mr. Ron Davies asked the Secretary of State for the Home Department, with regard to the administration of the Firearms Act 1968 and his recent working party's report, if he will make a statement to clarify what is defined as *(a)* an open certificate, *(b)* a territorially unrestricted certificate and *(c)* a territorially restricted certificate in that report.

Mr. Giles Shaw: Paragraph 16 of the report of the working party on the administration of the Firearms Act 1968 refers to "open" certificates as "ones containing no territorial condition". The term "territorially unrestricted certificate", which is not used in the report, suggests a certificate which does not contain a condition restricting the areas of land over which the firearm may be used, while the term "territorially restricted" suggests a certificate which does.

Shotguns

Mr. Ron Davies asked the Secretary of State for the Home Department for each of the last 10 years, what was the number of shotguns involved in crime that, *(a)* had no serial number on them, *(b)* had no serial number or maker's name on them and *(c)* were of British or imported origin, respectively.

Mr. Mellor: The available information on the use of shotguns in crime is published annually in "Criminal Statistics, England and Wales" (table 3.2 of the volume for 1983, Cmnd. 9349). Information for 1984 is not yet available. Details of individual weapons are not collected centrally.

Crime Statistics

Mr. Ron Davies asked the Secretary of State for the Home Department (1) if he will provide figures showing the number of crimes involving theft or violence and under 21-year-olds in each of the last five years for which figures are available;

(2) if he will provide figures showing the number of crimes other than of theft and violence involving under 21-year-olds for each of the last five years for which figures are available.

Mr. Mellor: Information on the age of offenders is known only for those offenders apprehended. The available information is for offenders found guilty or cautioned and is published annually in "Criminal Statistics, England and Wales" (table 5.17 of the volume for 1983, Cmnd. 9349, and in the corresponding table in the volumes for earlier years).

EDUCATION AND SCIENCE

Local Authorities (Expenditure)

63. **Mr. Patrick Thompson** asked the Secretary of State for Education and Science what changes he anticipates in the proportion of public expenditure by local authorities spent on education during the next five years.

Mr. Dunn: The proportion of the total relevant current expenditure of local authorities allocated to education in the Government's plans (as set out in Cmnd. 9428) is 49·5 per cent. in 1985-86 and just below 49 per cent. in 1986-87 and 1987-88. Allocations to services for the latter two years are provisional and remain subject to review. Decisions have yet to be taken on the overall level and allocation to services of local authority expenditure after 1987-88.

Advanced Education

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science if he will estimate the cost of increasing, per student, funding in public sector advanced education to the same level as that in universities.

Mr. Brooke: Differences in the financial mechanisms, circumstances and types of work done in the two sectors make comparisons of their funding levels difficult. Calculations based on a paper recently published by the Department ("Higher Education: Funding Comparisons Across Sectors") suggest that, on the Government's Cmnd. 9428 expenditure plans, recurrent public funding per arts-equivalent student in Great Britain universities in 1985-86 will be between 10 and 27 per cent. more than in public sector higher education in England, depending on the assumption made about the proportion of expenditure attributable in the universities to research as opposed to teaching. On this basis it would cost between £90 million and £240 million per year to increase public sector funding in England to the same level as that in universities.

Thomas More School, Derby

Mrs. Currie asked the Secretary of State for Education and Science whether he has taken a decision on the statutory closure notices on St. Thomas More school, Derby; and whether he will make a statement.

Mr. Dunn: My right hon. Friend has today informed the Nottinghamshire LEA and the Nottinghamshire Roman Catholic Diocesan Schools Commission that he has approved their proposals for these schools.

Horticulture (Students)

Mr. John Wells asked the Secretary of State for Education and Science if he will publish a table in the *Official Report* showing which counties have horticultural colleges or substantial horticultural sections in agricultural colleges; how many students have attended each college in each of the most recent five years for which figures are available; and what was the length and nature of the courses offered, together with such information about costs as is readily available.

Sir Keith Joseph: In November 1983, the latest date for which information is available, courses leading to recognised qualifications in horticulture were provided by 93 further education establishments in England. The following information is readily available for these courses.

For those colleges with 50 or more enrolments in any year the numbers of students participting in the years 1979 to 1983 are in the table. The colleges are shown under their LEA.

Over 80 per cent. of all student enrolments were for courses of the City and Guilds and regional examining boards, other courses included those for OND, HND, national diplomas and certificates in horticulture, college diplomas and the general examination of the Royal Horticultural Society.

It is estimated that 50 per cent. of all student enrolments were for courses of one year's duration. A further 31 per cent. were on the first year of courses lasting two years or more. No information is available about the financial arrangements for specific courses.

Number of enrolments of courses in horticulture

LEA	*Name of college*	*Year*				
		1979	*1980*	*1981*	*1982*	*1983*
Ealing	Norwood Hall Institute of Horticultural Education	206	185	180	187	164
Enfield	Capel Manor Institute of Horticulture	156	180	146	205	245
Coventry	Tile Hill College of Further Education	45	44	44	61	28
Dudley	Stourbridge College of Technology and Art	—	60	33	39	29
Wolverhampton	Wulfrun College of Further Education	42	49	55	52	65
Liverpool	Old Swan Technical College	—	—	—	41	84
St. Helens	St. Helens College of Technology	40	43	30	56	105
Bolton	Bolton Metropolitan College	29	32	40	47	77
Manchester	South Manchester Community College	201	218	185	193	195
Wigan	Wigan College of Technology	—	37	40	51	30
Doncaster	Doncaster Metropolitan Institute of Higher Education	—	67	38	46	35
Sheffield	Granville College	32	44	67	61	77
Bradford	Shipley College	45	45	27	35	65
Kirklees	Huddersfield Technical College	62	68	57	73	52
Leeds	The Airedale and Wharfedale College of Further Education	36	36	58	58	35
Wakefield	Wakefield District College	63	59	65	49	111
Inner London	South London College	73	96	128	161	163
Avon	Norton-Radstock Technical College	—	45	76	111	95
Bedfordshire	Bedford College of Higher Education	66	44	35	51	36
Berkshire	Berkshire College of Agriculture	2	—	—	57	133
Buckinghamshire	Aylesbury College	86	98	81	110	149
Cambridgeshire	Isle of Ely College of Further Education and Horticulture	98	60	86	69	47
Cambridgeshire	Cambridgeshire Farm College	31	—	13	42	97
Cheshire	Halton College of Further Education	—	—	—	22	61
Cheshire	Cheshire College of Agriculture	241	272	355	377	465
Cleveland	Guisborough Agricultural Centre	53	65	43	53	74
Cornwall	Cornwall College of Further Education and Higher Education	64	73	69	61	135
Cumbria	Cumbria College of Agriculture and Forestry	70	75	47	45	109
Derbyshire	Derbyshire College of Agriculture and Horticulture	87	104	100	102	164
Devon	Bicton College of Agriculture	122	118	117	322	278
Dorset	Dorset College of Agriculture	76	176	64	69	178
Durham	Durham Agricultural College	175	104	126	129	233
East Sussex	Plumpton Agricultural College	97	124	108	137	179

LEA	Name of college	Year 1979	1980	1981	1982	1983
Essex	Writtle Agricultural College	287	313	46	374	338
Gloucestershire	Gloucestershire College of Agriculture	31	29	31	48	88
Hampshire	Highbury College of Technology	80	66	80	78	57
Hampshire	Hampshire College of Agriculture	152	135	139	192	278
Hereford and Worcester	Pershore College of Horticulture	225	235	136	272	315
Hertfordshire	Hertfordshire College of Agriculture and Horticulture	302	337	247	317	330
Humberside	Bishop Burton College of Agriculture	122	132	170	124	99
Isle of Wight	Isle of Wight College of Arts and Technology	59	53	60	74	49
Kent	Mid Kent College of Higher Education and Further Education	75	75	59	64	56
Kent	Canterbury College of Technology	81	94	51	82	78
Kent	Hadlow College of Agriculture and Horticulture	139	234	163	244	112
Lancashire	Lancashire College of Agriculture and Horticulture	185	172	107	267	216
Leicestershire	Brooksby Agricultural College	73	94	69	74	86
Lincolnshire	Lincolnshire College of Agriculture and Horticulture	59	77	72	69	150
Norfolk	Norfolk College of Agriculture and Horticulture	67	97	76	83	91
North Yorkshire	Askham Bryan College of Agriculture and Horticulture	297	279	122	293	335
North Yorkshire	Bedale Agricultural Centre	60	38	–	40	62
Northamptonshire	Northants College of Agriculture	37	49	25	27	89
Northumberland	Northumberland College of Agriculture	98	107	107	78	123
Nottinghamshire	Nottinghamshire College of Agriculture	76	88	67	75	120
Shropshire	Shrewsbury College of Arts and Technology	20	43	28	18	101
Somerset	Somerset College of Agriculture and Horticulture	133	140	86	155	222
Staffordshire	Stoke-on-Trent Technical College	38	22	9	23	72
Staffordshire	Staffordshire College of Agriculture	49	143	25	65	168
Suffolk	Chadacre Agricultural Institute	19	93	—	—	—
Suffolk	The Otley College of Agriculture and Horticulture	82	33	122	177	183
Surrey	Merrist Wood Agricultural College	380	379	235	397	454
Warwickshire	Warwickshire College of Agriculture	—	—	9	24	60
West Sussex	West Sussex College of Agriculture and Horticulture	63	70	61	60	100
Wiltshire	Lackham College of Agriculture	62	79	67	89	89

Examination Results

Mr. Pawsey asked the Secretary of State for Education and Science if, pursuant to the answer of 15 March, *Official Report*, columns 304-306, regarding the order of achievement in examination results of each local education authority in England, he will give the equivalent figures for each year since 1979; and if he will make a statement.

Mr. Dunn: The information readily available is shown in the table.

Percentage of maintained school leavers in England with one or more A-level passes*
Average over the academic years 1977-78, 1978-79, 1979-80.

	Percentage
Harrow	25·2
Richmond-upon-Thames*	24·9
Barnet	24·3
Bromley	21·1
Kingston-upon-Thames	20·8
Sutton	20·5
Surrey	19·6
Hertfordshire	18·9
Stockport	18·2
Buckinghamshire	18·2
North Yorksire	17·6
West Sussex	17·4
Merton	17·3
Hounslow	16·4
Berkshire	16·2
Havering	16·0
Oxfordshire	15·9
Enfield	15·8
Redbridge	15·5
East Sussex	15·2
Wigan*	15·0
Kent	14·9
Sefton	14·6
Hampshire*	14·6
Gloucestershire	14·5
Trafford	14·4
Shropshire*	14·2
Devon*	14·1
Croydon	13·9
Leeds	13·9
St. Helens	13·9
Lancashire*	13·8
Sheffield	13·8
Somerset*	13·8
Leicestershire	13·8
Essex	13·7
Calderdale	13·6
Dorset	13·6
Brent	13·5
Wirral	13·5
North Tyneside	13·3
Cheshire*	13·2
Northmberland	13·1
Cornwall	13·1
Ealing	12·9
Hereford & Worcester	12·9
Dudley*	12·8
Newcastle-upon-Tyne	12·8
Hillingdon	12·8
Cumbria	12·8
Avon	12·7
Cambridgeshire	12·6
Solihull	12·5
Warwickshire	12·4
Bury	12·3
Isle of Wight	12·2
Bexley	12·1
Kirklees	12·0
Lincolnshire	11·9
Cleveland	11·7
Derbyshire*	11·7
Manchester	11·6
Bradford	11·4
Birmingham	11·2
Humberside	11·2
Wilthire	11·1
Staffordshire	11·1

	Percentage
Nottinghamshire	11·0
Rotherham	10·9
Suffolk	10·9
Bolton	10·9
Coventry	10·8
Haringey	10·8
Doncaster	10·7
Walsall	10·7
Rochdale	10·5
Wolverhampton	10·5
Bedfordshire	10·4
Durham	10·3
ILEA	10·2
Northamptonshire	9·8
Waltham Forest	9·7
Liverpool	9·6
Salford	9·5
Sunderland	9·4
Tameside	9·2
Norfolk	9·1
Wakefield*	8·8
Gateshead	8·5
South Tyneside	8·2
Oldham	7·4
Barnsley	7·4
Sandwell	6·5
Knowsley	6·4
Newham	6·2
Barking	5·6
ENGLAND	12·6

Source: School Leavers Survey and FE 113 Stats Survey.
All data shown are subject to sampling error.
* The figures include estimates of the percentage of those in the 16-18 age group who left school without attempting A-levels but achieved at least 1 A-level pass at tertiary college.

Mr. Peter Bruinvels asked the Secretary of State for Education and Science if he will publish a table showing, for every third year from 1962 *(a)* the percentage of all school leavers leaving (i) comprehensive schools and (ii) independent schools, *(b)* the percentage of all school leavers with (1) five or more O-levels or equivalent and (2) two or more A-levels and *(c)* the percentage of all school leavers from maintained schools in England and Wales with (3) five or more O-levels or equivalent and (4) two or more A-levels.

Mr. Dunn: The available information is as follows:

School Leavers, England

Academic	Percentage of leavers from:		Percentage of leavers with:		Percentage of leavers from maintained schools with:	
	Comprehensive schools	Independent* schools	5 or more higher† grade passes at O level or CSE	2 or more A level passes	5 or more higher† grade passes at O level or CSE	2 or more A level passes
1961-62	‡4·5	‡5·8	‡14·0	‡6·4	‡11·0	‡4·8
1964-65	‡7·6	‡7·1	‡20·5	‡10·3	‡16·7	‡8·1
1967-68	17·5	7·4	22·5	12·2	‡18·6	‡9·6
1970-71	33·0	7·0	23·5	13·2	‡19·9	‡10·5
1973-74	54·1	6·5	23·0	12·2	‡19·5	‡9·6
1976-77	73·6	6·0	23·5	12·4	‡20·3	‡9·9
1979-80	82·4	5·9	24·0	12·6	20·9	10·0
1982-83	85·2	5·7	26·2	13·9	23·3	11·3
1983-84	85·6	5·9	26·7	14·1	23·8	11·3

Source: School Leavers Survey.
Data on school leavers examination attainments are subject to sampling error.
* For 1979-80 and earlier years including the former direct grant schools.
† From 1975 O-level grades A-C, CSE grade 1. Prior to 1975 O-level examinations were graded pass or fail. CSE examinations were introduced in 1965.
‡ Figures are for England and Wales.

Student Grants

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science if he will estimate the additional cost of awarding all students in higher education a full maintenance grant in each of the categories *(a)* 18 years plus, *(b)* 19 years plus, *(c)* 20 years plus and *(d)* 21 years plus in 1984-85 and in 1985-86.

Sir Keith Joseph [*pursuant to his reply*, 17 June 1985, c. *6*]: The following are the estimated costs for England and Wales. They are necessarily based on a number of assumptions and thus provide an order of magnitude of the potential costs involved, rather than any precise estimation.

£ million

Cost and Age				
Age of Student	18+	19+	20+	21+
Cost in 1984-85	217	181	120	65
Cost in 1985-86	252	210	139	68

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what would be the cost in 1985-86 of restoring mandatory student grants to the real value of the 1978-79 award.

Sir Keith Joseph [*pursuant to his reply*, 17 June 1985, c. *6*]: It is estimated to be about £110 million.

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what is the average level of mandatory student grant paid to mature students, single mature students, married mature students, and married mature students with children; and how many mature students there are in each category.

Sir Keith Joseph [*pursuant to his reply*, 17 June 1985, c. 6]: This information is not available. In 1983-84, however, 6,500 students received the dependents allowance; 1,400 students received the additional allowance; and 12,400 students received the older students allowance. The total value of these extra allowances amounted to £15·1 million. The figures relate to mandatory award holders only.

Mr. Andrew F. Bennett asked the Secretary of State for Education and Education and Science what would be the cost of restoring all student grants to their October 1978 value.

Sir Keith Joseph [*pursuant to his reply*, 17 June 1985, c. 6]: The cost of restoring the 1985-86 level of grant for full-value mandatory and discretionary awards to the 1978-79 value would be £122 million.

SOLICITOR-GENERAL FOR SCOTLAND

Pollution (Offences)

Dr. Godman asked the Solicitor-General for Scotland how many persons and organisations were proceeded against in *(a)* Strathclyde and *(b)* Scotland for offences relating to pollution of rivers in each of the past five years; how many of those concerned were farmers; and what was the average penalty imposed by the courts for offences of this kind in the past two years.

The Solicitor-General for Scotland: Statistics separately recording such offences are not kept.

TRANSPORT

Okehampton Bypass

Mr. Penhaligon asked the Secretary of State for Transport what representations have been received from the Okehampton town council, West Devon district council, Cornwall county council and Devon county council regarding the Okehampton bypass.

Mrs. Chalker: All these authorities have written or made representations to us supporting the Department's proposed route for the bypass and/or deploring the report of the joint committee against it.

Mr. Penhaligon asked the Secretary of State for Transport if he will indicate the number of acres of the Dartmoor national park to the north of the proposed Okehampton bypass and the number to the south.

Mrs. Chalker: Dartmoor national park is some 233,600 acres in all. The Department's proposed route would take about 140 acres on the very northern edge of the national park; its alignment would leave undisturbed about 233,000 acres, or over 99 per cent., to the south of the route and some 460 acres to the north.

Mr. Penhaligon asked the Secretary of State for Transport if he will indicate the length of the public inquiry that took place into the Okehampton bypass and its cost to public funds.

Mrs. Chalker: The public inquiry started on 1 May 1979 and finished on 4 February 1980. The total number of sitting days was 96. The cost of providing a hall, furniture and equipment and the expenses of the inspector was about £70,000. This excludes the Department's costs and the costs of other parties at the inquiry.

MV Bridgeness

Dr. David Clark asked the Secretary of State for Transport if he will initiate a public inquiry into the MV Bridgeness running aground on Hats and Barrels reef off south west Wales on 16 June.

Mr. David Mitchell: A surveyor was appointed on 17 June to inquire into all the circumstances of this grounding: on completion of his investigations, his report will be studied within my Department and a decision will be taken on further action.

Dr. David Clark asked the Secretary of State for Transport if the Nature Conservancy Council was consulted over the spillage of oil from the MV Bridgeness when it ran aground on 16 June.

Mr. David Mitchell: Officials of my Department consulted fully with Nature Conservancy Council officials throughout the incident. An official of the council flew in the surveillance aircraft at the invitation of the Department.

EC (Shipping Policy)

Mr. Gregory asked the Secretary of State for Transport what progress was made in respect of shipping matters at the European Community Transport Council on 24 June.

Mr. Ridley: The Council debated a communication and proposals from the Commission on a maritime transport policy. I stressed the importance which this Government attach to the rapid liberalisation of shipping services to, from, between and within member states. I reiterated our view that the Community cannot successfully tackle external shipping problems unless it has put its own house in order. The Council accepted this argument and agreed that priority should be given to the adoption of four draft regulations, with a view to arriving at first conclusions by the end of this year. These regulations would liberalise the internal shipping market and arm the Community with powers to deal with protectionism and unfair competition originating in third countries. This Council marks the first step towards a common shipping policy and should be welcomed, as such, by all United Kingdom shipping interests.

AGRICULTURE, FISHERIES AND FOOD

Animal Welfare

Mr. Body asked the Minister of Agriculture, Fisheries and Food if he has any plans to amend the existing regulations governing farm animal welfare in the light of the European Convention for the protection of animals kept for farming purposes; and if he will make a statement.

Mrs. Fenner: I have no plans to amend existing regulations. We are implementing the convention through the welfare provisions of the Agriculture (Miscellaneous Provisions) Act 1968, its subordinate legislation and the codes of recommendations for the welfare of livestock.

Productivity

Mr. Maclean asked the Minister of Agriculture, Fisheries and Food what information he has as to the increase in agricultural productivity in each of the EEC countries over the last 10 years.

Mrs. Fenner: A range of information about different aspects of productivity growth in agriculture in the member states of the Community is published by the EC Commission. Information about changes in yield per hectare and per unit of livestock of the main commodities is contained in the "markets" section of the Commission report, "The Agricultural Situation in the Community", copies of which are in the Library of the House; the same publication — page 209, 1984 report — also provides a measure of the growth of total output per unit of labour and per hectare for most member states.

Nuclear Attack

Ms. Richardson asked the Minister of Agriculture, Fisheries and Food if he will make copies available in the Library of the advice to farmers prepared by his Department for use in the event of a nuclear attack.

Mrs. Fenner: Copies of the booklet "Civil Defence and the Farmer" were placed in the Library on 7 June, the day of publication.

Research

Mr. Dalyell asked the Minister of Agriculture, Fisheries and Food how long elapsed between his announcement in January of cuts in Government funding of agricultural and food research in 1986 and the initiation of discussions with the industry on ways and means of making good those cuts; and if he will make a statement.

Mrs. Fenner: Following the announcement on 22 January, Agriculture Ministers sought the advice of the Priorities Board on the most appropriate arrangements for securing the greater involvement of the industry in the future funding of research and in determining the programme of work which is undertaken. In the light of the board's advice, there were preliminary contacts with representatives of the industry during April and May; detailed sectoral consultations began in June.

Mr. Dalyell asked the Minister of Agriculture, Fisheries and Food when he expects to confirm the areas of his Department's research to be cut; and how long he intends to provide for discussions between the Agriculture and Food Reseach Council and the Ministry of Agriculture, Fisheries and Food over how the finally agreed cuts are to be managed, including the issue of redundancy notices.

Mrs. Fenner: I will be taking decisions on the future allocation of resources for research and development when I have the advice of the Priorities Board. There is already close contact between my Department and the Agricultural and Food Research Council on the management of the commissioned research programme. The discussions on the revised programme will form part of those exchanges. The management of the process of change within the AFRC is a matter for the council.

Mr. Dalyell asked the Minister of Agriculture, Fisheries and Food whether he will make it his policy not to implement planned reductions in expenditure on agricultural research and development until the industry has raised the necessary funds to safeguard such aspects of this work as it wishes to continue; and if he will make a statement.

Mrs. Fenner: In order to allow time for consultations on the scope for industry funding no changes have been made in the level of publicly funded research and development in the current year. Those consultations are now under way and I would not wish to prejudge their outcome.

Mr. Dalyell asked the Minister of Agriculture, Fisheries and Food when the priorities board first met to discuss reductions in Government funding of agricultural and food research; how many meetings of the board have been held; and on what previous occasions a similar independent review of all agricultural and food research work took place.

Mrs. Fenner: The Priorities Board was first asked to advise on the application of reductions to Government funding of agricultural and food research in January this year and has since held four further meetings. It has met on a total of 10 occasions since its establishment in 1984, and will meet again on 28 June.

The last occasion on which an independent review of inter-sector priorities was undertaken was in the course of work carried out by the Joint Consultative Organisation for research and development in agriculture and food early in 1984.

EC (Structures Regulation)

Dr. David Clark asked the Minister of Agriculture, Fisheries and Food when his Department received written submissions from the following organisations in response to the consultation on the implementation of the European Commission's new agricultural structures regulation *(a)* the Council for the Preservation of Rural England, *(b)* the Royal Society for the Protection of Birds, *(c)* the Countryside Commission and *(d)* the Nature Conservancy Council.

Mrs. Fenner: A joint submission from the Council for the Protection of Rural England and the Council for National Parks was received on 29 May; the Royal Society for the Protection of Birds comments were received on 31 May; the Countryside Commission's on 29 May and the Nature Conservancy Council's on 28 May. The closing date for submission of comments was 24 May.

Dr. David Clark asked the Minister of Agriculture, Fisheries and Food (1) when he approved the text of the draft statutory instrument for submission to the European Commission to bring into effect in the United Kingdom the agricultural structures regulation;

(2) on what date his Department sent the European Commission details of the proposed implementation in the United Kingdom, including the draft statutory instrument, of the European Commission's new agricultural structures regulation.

Mrs. Fenner: No draft statutory instruments have been formally sent to the European Commission, but my officials have held informal discussions with it. In addition, on 29 April, it was sent a copy of the Government's consultation paper on the implementation of the agricultural structures regulation. Copies of the statutory instruments will be formally sent to the Commission when they are laid before Parliament.

Dairy Quotas

Mr. Phillip Oppenheim asked the Minister of Agriculture, Fisheries and Food what is his latest estimate of the savings to the United Kingdom of the imposition of dairy quotas; and what are the offsetting administrative costs arising from the operation of dairy quotas together with its subsidiary schemes such as the outgoers scheme.

Mr. MacGregor: Any estimate of the savings resulting from the imposition of milk quotas is necessarily of a hypothetical nature given that the Community could not have afforded to support a continuing growth of milk production for which there was no market. At the time of the negotiation of the milk quotas, the Commission estimated that the eventual cost to the Community budget of disposing of each tonne of surplus milk was £170 and forecast that in 1985 Community milk deliveries would reach 108 million tonnes if no action were taken to stem the steady increase in production. If deliveries this year are within the 1985-86 wholesale quota of 98·6 million tonnes and it is assumed they would otherwise have been at the level previously forecast by the Commission, expenditure of about £1,600 million will be avoided on the basis of the Commission's estimated disposal cost. Of this, the United Kingdom contribution would be about £350 million before the operation of the Fontainebleau mechanism.

The cost to the Ministry of Agriculture, Fisheries and Food of administering milk quotas in 1984-85 is estimated at £3·5 million. In addition, a sum of £50 million is being made available to finance the costs of the United Kingdom outgoers scheme; this is being paid to producers in five annual instalments.

DDT

Dr. David Clark asked the Minister of Agriculture, Fisheries and Food (1) how much DDT has been exported from the United Kingdom in each of the last five years; and how much is stockpiled in the United Kingdom;

(2) if he has any estimate of the amounts of DDT held *(a)* by retailers and *(b)* on farms.

Mrs. Fenner: My Department does not monitor stocks of pesticides held by manufacturers, retailers or on farms. Before clearance under the pesticides safety precaution scheme for the remaining agricultural uses of DDT was withdrawn on 1 October 1984, the co-operation of manufacturing companies and distributors was sought to prevent stockpiling of the chemical prior to withdrawal.

Exports of DDT over the last five years were as follows:

Year	*Quantity kgs*	*Value £000s*
1980	1,840	3,000
1981	500	1,000
1982	44,509	22,000
1983	117,275	64,000
*1984	125,503	69,000

* (provisional)
Tariff Heading 2902 9550 from SITC (R2) item 511.39 in the United Kingdom Overseas Trade Statistics

EEC (Fish Landings)

Dr. Godman asked the Minister of Agriculture, Fisheries and Food whether he has any information about the weight and value of white fish and shellfish landings in each of the European Economic Community maritime states over the past five years.

Mr. MacGregor: Some information on the weight and value of landings in EC member states is available in international publications, in particular the "OECD Review of Fisheries," but I am afraid that because of various differences in the national information provided it would not be possible to extract information on the total landings of white fish and shellfish over the past five years which is directly comparable between the different member states.

Common Fisheries Policy

Dr. Godman asked the Minister of Agriculture, Fisheries and Food what has been the percentage rise in expenditure on the common fisheries policy each year since 1979; what increase is proposed for the next two years; and what is the estimated proportion of the expenditure for 1985 and 1986 that will finance the fisheries inspectorate.

Mr. MacGregor: The annual percentage change in Community expenditure under the common fisheries policy since 1979 has been as follows:

	Percentage change
1979	+20·2
1980	−2·6
1981	+14·5
1982	+10·8
1983	+4·0
*1984	−4·0

* (provisional)

The 1985 budget contains 111·8 Mecu for the CFP. This is a 103 per cent. increase on the provisional outturn figure for 1984, but it is not known how much of the available appropriations will actually be used. I regret that information cannot be given for 1986 as the preliminary draft budget has not yet been published.

The cost of the Fisheries Inspectorate is treated as part of the Commission's overall staff costs and is not separately identified in the budget.

EMPLOYMENT

Cost of Living Index

61. **Sir John Farr** asked the Secretary of State for Employment if he is satisfied with the current composition of the cost of living index.

Mr. Alan Clark: Yes, I am satisfied with the composition of the retail prices index but, following established practice, I have reconvened the retail prices index advisory committee to look at certain matters relating to the construction of the index. The committee will make such recommendations as it sees fit.

Unemployment Benefit

Mr. Shersby asked the Secretary of State for Employment what assessment he is making of the likely take-up of unemployment benefit using both automated credit transfer and four weekly payment in arrears; and if he will make a statement.

Mr. Alan Clark: The evidence presented in a recent study, commissioned specifically for the purpose by my Department, indicated that a significant number of unemployed people would consider favourably the opportunity to have their benefits paid directly into a suitable short-notice bank account. The study also showed that any form of four-weekly or calendar monthly payment would be less favoured. My officials are now carrying out development work on the practicability of automated credit transfer.

High Technology Industries

Mr. Harvey asked the Secretary of State for Employment how many new jobs have been created in high technology industries since 1977.

Mr. Alan Clark: Information about job gains and job losses is not available from the Department's statistics, but an indication of the net changes can be seen by comparing levels of employees in employment at different dates.

Between June 1977 and March 1985 the number of employees in employment in Great Britain in high technology industries, as defined below, increased by an estimated 8,000. The Department's employment estimates are analysed according to the 1980 standard industrial classification (SIC). There is no standard definition of high technology industries; the following industries have been included in arriving at the estimate given.

Group 330—
Manufacture of office machinery and data processing equipment.
Activity Heading 3441—
Telegraph and telephone apparatus and equipment.
Activity Heading 3442—
Electrical instruments and control systems.
Activity Heading 3443—
Radio and electronic capital goods.

Mr. Harvey asked the Secretary of State for Employment what information he has as to the average wage in high technology industries; and how this figure compares with average earnings in traditional manufacturing and service industries.

Mr. Peter Bottomley: Estimates of the average weekly earnings of full-time adult employees in each major industry in April 1984 are published in table X2 of part B of the "New Earnings Survey 1984". A copy is in the Library. Separate details are given for the main industries affected by high-technology, such as telecommunication equipment, electrical measuring equipment and electronic capital goods and components, and aerospace equipment manufacturing and repairing, together with other industries and services.

Labour Statistics

Mr. Harvey asked the Secretary of State for Employment how many jobs have been lost in manufacturing industry since 1977; and what has been the net change in service sector jobs since 1977.

Mr. Alan Clark: Information about job gains and job losses is not available from the Department's statistics, but an indication of the net changes can be seen by comparing levels of employees in employment at different dates.

Between June 1977 and April 1985 the number of employees in employment in manufacturing industries in Great Britain fell by an estimated 1,826,000. Between June 1977 and December 1984, the latest date for which information is available, the number of employees in employment in service industries in Great Britain increased by an estimated 830,000.

Mr. Harvey asked the Secretary of State for Employment wht is his estimate of the number of *(a)* 21, *(b)* 22 and *(c)* 23-year-olds who have never had a job.

Mr. Alan Clark: Results of the 1984 labour force survey indicate that in Great Britain in the second quarter of 1984 there were 103,000 people aged 21 who had never had a job, of whom 21,000 were seeking work; 71,000 aged 22 who had never had a job, including 17,000 seeking work; and 41,000 aged 23 who had never had a job, including 10,000 seeking work.

Mr. Harvey asked the Secretary of State for Employment what is his estimate of the number of unemployed persons who were formerly engaged in manufacturing industry or construction who are aged *(a)* 50 years and over and *(b)* 55 years and over.

Mr. Alan Clark: Results of the 1984 labour force survey indicate that in Great Britain in the second quarter of 1984 there were 138,000 people aged 50 years or more who were without a job and looking for work and who had been employed at some time during the previous three years, with their last job in the manufacturing or construction industries. Of this total, 94,000 were aged 55 or more.

Mr. Tony Lloyd asked the Secretary of State for Employment when unemployment data for individual local authority wards will be available in the Library.

Mr. Alan Clark: Information for the latest period is now available in the Library. Figures for each month from June 1983 are being prepared and will become available from the computer base in the Library over the next few weeks.

Job Release Scheme

Mr. Harvey asked the Secretary of State for Employment how many people have taken advantage of the job release scheme; and what is the net cost per job released under the scheme, allowing for the savings on social security of those coming into the scheme.

Mr. Alan Clark: Since January 1977, when the full-time job release scheme commenced, over 288,500 have joined the scheme. Allowing only for savings on social security payments, the approximate annual net cost per person on the scheme in 1984-85 was £1,650.

Perivale Skillcentre

Mr. Greenway asked the Secretary of State for Employment (1) how many staff are currently employed at Perivale skillcentre; what his future staff projections are; and if he will make a statement;

(2) if he will make a statement on the future of Perivale skillcentre;

(3) how many courses and in what subjects are currently available at the Perivale skillcentre; and what are his projections for future courses, including subjects.

Mr. Peter Morrison: I shall write to my hon. Friend and place a copy of my letter in the Library.

Deaf and Mentally Handicapped School Leavers

Mr. St. John-Stevas asked the Secretary of State for Employment what measures are being taken by the Government to seek to ensure that young people with the dual disabilities of deafness and mental handicap are able to enter suitable placements upon leaving school; and what information he has as to the facilities which exist in the Chelmsford area.

Mr. Alan Clark: The Government are concerned that adequate measures are taken to ensure that all young people with disabilities, including those with the dual disabilities of deafness and mental handicap, are able to enter suitable placements upon leaving school. The young people concerned should be identified by the careers service while still at school and given appropriate guidance and help. Further special assistance can be provided by local education authorities through "bridging courses" at local colleges of education, by voluntary agencies or by the Manpower Services Commission through the youth training scheme, employment rehabilitation centres, sheltered employment and other assistance.

There are bridging courses at Chelmsford and Braintree and there should be adequate suitable provision through the youth training scheme and other facilities. I would be very glad to look further into the adequacy of these provisions if there is concern over particular facilities or individual young people.

Clothing Industry (Study)

Mr. Sims asked the Secretary of State for Employment if the recent employment market research unit study on the clothing industry was conducted after receipt of a report on the retail trades by researchers at the department of applied economics, Cambridge.

Mr. Peter Bottomley: No. The research outline for the employment market research unit study was drawn up during March 1983, work continued intermittently until April 1985—due to resource constraints—and the report was published in May 1985. A first draft of the department of applied economics, Cambridge report was received in November 1983 and the final version was published in May 1985.

Retail Trades (Report)

Mr. Sims asked the Secretary of State for Employment if the findings of a report on the retail trades, commissioned by his Department from the department of applied economics, Cambridge, were suppressed and publication of the report delayed.

Mr. Peter Bottomley: No. An early version of the department of applied economics, Cambridge report was sent to the Select Committee on Employment, the CBI and the TUC in June 1984. Redrafting by the authors in the light of comments meant that the final version of the report was not received until February 1985. It was published in May 1985.

ENERGY

British Gas

57. **Mr. Robert C. Brown** asked the Secretary of State for Energy if he will make a statement about the size of the revenues he expects from the sale of British Gas.

Mr. Buchanan-Smith: There is no point in speculating now. Revenues can only be estimated nearer to the time of the sale.

Redundant Mineworkers

Mrs. Currie asked the Secretary of State for Energy if he will list all establishments under the National Coal Board which do not come within the scope of the Redundant Mineworkers' Payments Scheme under Statutory Instrument, 1984, No. 457.

Mr. David Hunt: The scheme applies to persons made redundant from a coal mine or from the employment of a coking plant operator (at a coking plant). The scheme also applies to those made redundant from various prescribed places, as listed in the statutory instrument, but only where activities in that place have been reduced or ended as a result of the closure of or reduction in manpower at a mine or plant. The statutory instrument lists the types of establishment covered by the scheme; it does not name the establishments.

Electricity Boards (Supplies)

Mr. Phillip Oppenheim asked the Secretary of State for Energy if he will introduce legislation to remove from electricity boards the sanction of cutting off the electricity supply for the non-payment of debts, where the debt relates to the operations of their retail outlets and not the supply of electricity; and if he will make a statement.

Mr. Goodlad: Electricity boards have the power of disconnection under section 21 of the Electric Lighting Act 1882 and section 18 of the Electric Lighting Act 1909. In both cases, the power is confined to disconnection for debts in respect of the supply of electricity, and may not be exercised where there is a bona fide dispute.

Nationalised Industries (Retail Outlets)

Mr. Phillip Oppenheim asked the Secretary of State for Energy if he will make it his policy, when setting financial objectives for the nationalised industries for which he is responsible, to specify that their retail outlets should collectively not make a loss; and if he will make a statement.

Mr. Buchanan-Smith: Two of the industries for which my right hon. Friend the Secretary of State is responsible have retail outlets: the electricity supply industry and the British Gas Corporation.

In respect of electricity, my right hon. Friend announced on 26 July 1984, at column 757, that agreement had been reached with the Electricity Council on a package of measures designed to demonstrate that the industry is trading fairly and profitably in the appliance retailing and contracting activities. These measures include the provision that each area board will aim to achieve at least an average 2 per cent. return on current cost net assets employed in these activities in the period 1984-85 to

1987-88. In aggregate, the boards have a target of an average 5 per cent. return over the period. The latest published accounts show that in aggregate the industry's appliance retailing business made a profit in 1983-84 with a return of 6·9 per cent. on average current cost net assets.

In respect of gas, the Government have agreed a financial target with the British Gas Corporation which relates to its business as a whole; there is no separate target for appliance retailing. However, the corporation's annual report and accounts show separately the results of that element of the business. The latest published accounts are for 1983-84 and show that appliance trading made a profit.

Oil Production

Mr. Blair asked the Secretary of State for Energy if he will give the figures for United Kingdom oil production from 1982 to 1984, the percentage change in production over that period and the forecast for 1985; and if he will give the same figures and percentage change for any other country producing over 100 million tonnes in 1982.

Mr. Buchanan-Smith: The information requested is given in the following table:

Production of crude oil, natural gas liquids and other mineral oils by major world producers

Units: million tonnes

Country	*1982 production*	*1983 production*	*1984 production*	*Percentage increase 1982 to 1984*	*1985 forecast production*
Union of Soviet Socialist Republics	612	616	613	—	n.a.
United States of America	478	479	*485	2	*490
Saudi Arabia	328	256	230	−30	n.a.
Mexico	149	147	150	—	n.a.
Iran	120	122	109	−9	n.a.
United Kingdom	103	115	126	22	120-135
China	102	106	115	13	n.a.
Venezuela	101	97	98	−4	n.a.

Sources: BP Statistical Review of World Energy, June 1985; IEA Energy Statistics 1982-83; US Energy Information Administration Short Term Energy Outlook, April 1985; Department of Energy.

*Circa.

Oil Exploration (Warwickshire)

Mr. Pawsey asked the Secretary of State for Energy if, further to his reply to the hon. Member for Rugby and Kenilworth of 24 June, he will give the location of those areas in Warwickshire for which oil exploration licences have been granted, the dates on which they were granted and details of any results so far achieved.

Mr. Buchanan-Smith: The part of Warwickshire covered by petroleum licences is south of an east-west line along OS grid reference SP5000. Current licences comprise two production licences awarded in June 1971 and two exploration licences awarded in May 1982 and March 1983, respectively. Some seismic surveys have been carried out under these licences in the area referred to, but no wells have been drilled.

Mr. Pawsey asked the Secretary of State for Energy if he will name the companies involved in oil exploration in Warwickshire and the dates in which these oil explorations are likely to be concluded.

Mr. Buchanan-Smith: Petroleum licences entitle the holders to carry out relevant work throughout the licence term, subject where necessary to permission from the local planning authority.

Companies holding petroleum licences covering part of Warwickshire and the term of the licences are as follows:

Production Licences (46-year term)

The production licensees are Bearcat Exploration (UK) Ltd. (Operator), Consolidated Oil and Gas (UK) Ltd., Teck Resources (UK) Ltd. and Shell UK Ltd. (one group) and Consolidated Oil and Gas (UK) Ltd. (Operator), Teck Resources (UK) Ltd. and Shell UK Ltd. (second group).

Exploration Licences (6-year term)

The exploration licensees are Clyde Petroleum plc (Operator), Charterhouse Petroleum Development Ltd. and Industrial Energy Scotland plc.

South Warwickshire Coalfield

Mr. Pawsey asked the Secretary of State for Energy if he will estimate the number of jobs in other industries and services which will be created as a result of the proposed development of the south Warwickshire coalfield.

Mr. David Hunt: The National Coal Board recently released to local authorities a consultation document, "The South Warwickshire Prospect," which outlined its proposals for a new mine to exploit the coalfield. The board has estimated that the construction of the mine would provide up to 700 jobs and that, when in production, the mine would employ a work force of about 1,800. Whilst it is difficult to estimate the secondary effects on employment, it is clear that, if approved, the proposed development would directly and indirectly generate demands on other industries and services.

FOREIGN AND COMMONWEALTH AFFAIRS

Palestine Liberation Organisation

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs what reports he has received from Her Majesty's ambassador in Tunis about the statement on 14 June by the official spokesman of the Palestine Liberation Organisation, Ahmad Abd Al-Rahman, rejecting the peace plan of Prime Minister Peres; and whether he will instruct Her Majesty's ambassador in Amman to seek clarification from King Hussein as to whether this statement represents official Palestine Liberation Organisation policy.

Mr. Luce: I refer my hon. Friend to the reply I gave him on 26 June at columns *412-13*.

Foreign Ambassadors

Mr. Caborn asked the Secretary of State for Foreign and Commonwealth Affairs on how many occasions the South African ambassador in London has been summoned to his Department since 1 August 1984; and what was the reason on each occasion.

Mr. Rifkind: In the period in question the South African ambassador has been called to the Foreign and Commonwealth Office seven times to discuss matters affecting bilateral relations.

Mr. Caborn asked the Secretary of State for Foreign and Commonwealth Affairs which foreign ambassadors have been summoned to his Department since 1 August 1984; on what date; and for what reason.

Mr. Renton: Foreign ambassadors are asked to call on many different occasions and for a wide variety of purposes. Our dealings with them are in general confidential and it would not be practicable or appropriate to provide details about them.

Non-proliferation Treaty

Mr. Hickmet asked the Secretary of State for Foreign and Commonwealth Affairs how many states have acceded to the non-proliferation treaty since the last review conference; how many states have withdrawn from the treaty since it came into force; and if he will make a statement.

Mr. Luce: Sixteen states have adhered to the non-proliferation treaty (NPT) since the last review conference in 1980, bringing its total membership to 129, or four fifths of the membership of the United Nations. No state has ever exercised its right to withdraw from the treaty. The continued success of the NPT in attracting new parties 15 years after it came into force is proof of the valuable part which the treaty plays in enhancing the security of every country and in promoting the safe use of nuclear energy for peaceful purposes by its parties. We shall continue to seek universal adherence to the treaty, concentrating in particular on those non-parties which possess significant nuclear facilities which are not open to international inspection.

Special Foreign Affairs Council

Mr. Forth asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the outcome of the special Foreign Affairs Council held on 25 June.

Mr. Rifkind: A special Foreign Affairs Council was held in Luxembourg on 25 June to discuss the Commission's proposed regulation on integrated Mediterranean programmes. The Council resolved outstanding difficulties and agreed the regulation in accordance with the decisions of the European Council.

SOCIAL SERVICES

AIDS

Mr. Butterfill asked the Secretary of State for Social Services what efforts his Department is making to find an effective test to screen for the virus which causes acquired immune deficiency syndrome; and when he expects such a test to be introduced.

Mr. Kenneth Clarke: I am pleased to say that a test will be introduced within the next few months to screen all blood given by blood donors for antibodies to the virus which causes AIDS. Arrangements will also be made for sexually transmitted diseases clinics to provide an AIDS test for people who fear they may have been exposed to the disease.

I understand and share the concern to get these tests in use as soon as possible. However, we must have tests which are accurate and can be trusted. A number of test kits are already available and in use abroad, but reports from those countries suggest that the tests are not entirely reliable. We believe that no test should be introduced in the United Kingdom until its reliability has been established. There is no point in introducing a test which often fails to detect antibodies in blood or detects antibodies where there are none. An evaluation programme is being undertaken by the Public Health Laboratory Service and National Blood Transfusion Service experts as a matter of urgency. It is essential to complete this programme if we are to have a sensible policy that really does protect the public. Contrary to reports in today's press, no decisions on choice of test kits have yet been made. We hope that we will be able to introduce a test within four to five months. We are also making arrangements to offer counselling to anyone whose blood is found to be positive.

We expect that the number of blood donors found to have antibodies is likely to be very small. The risk of contracting AIDS from receiving a blood transfusion remains extremely small and screening will reduce this risk still further. There is no risk at all to those giving blood of contracting AIDS.

Social Security Costs

58. **Mr. Beith** asked the Secretary of State for Social Services what is his latest estimate of the total cost of social security in April 1987 on unchanged policies and with benefit upratings in accordance with current practices.

Mr. Whitney: The latest available estimate is £44 billion and is contained in table 3.12 of volume II of the public expenditure White Paper (Cmnd. 9428-II).

Mr. Harvey asked the Secretary of State for Social Services what is his estimate of the average cost to the Exchequer of a single person on social security; what is his estimate of the cost to the Exchequer of an average family on social security; and what was the total cost to the Exchequer of social security and unemployment benefits in the latest financial year for which figures are available.

Mr. Whitney: I shall let my hon. Friend have a reply as soon as possible.

Social Security Reform

59. **Mr. Chris Smith** asked the Secretary of State for Social Services if he will make a statement regarding the predicted net effect on revenue of the proposals contained in the Green Paper "Reform of Social Security".

Mr. Newton: Precise estimates cannot be made until final decisions are taken. However, it is estimated that the pension proposals could reduce tax revenue by some £300 million by the end of the transitional period.

Unemployment Benefit

60. **Mr. Flannery** asked the Secretary of State for Social Services how much money was paid out in unemployment benefit in the years 1979, 1980, 1981, 1982, 1983 and 1984, respectively.

Mr. Whitney: The information available is given in the table.

Financial Year	*Expenditure £ million*
1979-80	652·9
1980-81	1,280·5
1981-82	1,701·5
1982-83	1,499·6
1983-84	1,496·5
1984-85	*1,597·0

* Provisional.

Mr. Michael McNair-Wilson asked the Secretary of State for Social Services what are the residential qualifications he applies to applicants for unemployment benefit.

Mr. Whitney: There are no residential qualifications as such for claimants to unemployment benefit, but the benefit is contributory, so that the claimant must have paid national insurance contributions under the schemes in Great Britain or Northern Ireland, (or into schemes with which we have reciprocal arrangements). The claimant must normally be living in the United Kingdom in order to receive unemployment benefit, though for a claimant who satisfies all the conditions it may be paid for short periods to claimants seeking work in other countries in the European Community.

Board and Lodging Regulations

Mr. Portillo asked the Secretary of State for Social Services when he intends to lay the regulations about board and lodging referred to by the Minister for Social Security in his statement to the House on 25 June.

Mr. Newton: The Supplementary Benefit (Requirements) Amendment Regulations 1985 were laid before the House yesterday.

Supplementary Benefit

Mr. Squire asked the Secretary of State for Social Services what is the average amount paid in supplementary benefit single payments to meet the cost of a newborn baby; and what is the maximum amount paid.

Mr. Whitney: The 1983 annual statistical inquiry, which is the latest information available, indicates that the average amount paid by way of single payments for the maternity needs of a newborn or recently adopted child is around £60. There is no prescribed maximum amount which may be paid for maternity needs.

Hospitals (Islington)

Mr. Corbyn asked the Secretary of State for Social Services what is the bed occupancy rate for each year since 1978 within the Islington district health authority for: *(a)* acute, *(b)* geriatric, *(c)* psychiatric and *(d)* maternity patients in each hospital.

Mr. John Patten: The available information is given in the tables. Bed occupancy figures are based on a midnight count and do not therefore reflect the use of beds by patients who do not stay overnight.

NHS hospitals in Islington DHA—Acute beds†*

Hospital	*Average daily number of occupied beds as a percentage of average daily number of available beds*					
	1978	*1979*	*1980*	*1981*	*1982*	*1983*
City of London Maternity Home‡	49·3	49·3	50·0	32·9	27·6	8·3
Friern Hospital‖	—	—	—	—	—	—
Hornsey Central Hospital	91·4	83·9	82·2	76·8	86·6	82·7
Royal Northern Hospital	85·9	82·1	65·8	86·7	71·7	71·0
Southwood Hospital	—	—	—	—	94·6	—
Whittington Hospital	73·9	77·3	79·8	70·6	74·4	75·3
Whittington Home¶	—	—	—	—	—	—

NHS hospitals in Islington DHA—Geriatric beds*

Hospital	*Average daily number of occupied beds as a percentage of average daily number of available beds*					
	1978	*1979*	*1980*	*1981*	*1982*	*1983*
City of London Maternity Home‡	—	—	—	—	—	—
Friern Hospital‖	—	—	—	—	—	—
Hornsey Central Hospital	98·4	100·0	89·3	96·4	97·1	94·6
Royal Northern Hospital	—	—	25·0	67·0	79·4	95·7
Southwood Hospital	85·6	96·0	95·8	99·8	98·2	96·7

Hospital	Average daily number of occupied beds as a percentage of average daily number of available beds					
	1978	1979	1980	1981	1982	1983
Whittington Hospital	90·5	94·2	94·5	94·3	94·5	89·9
Whittington Home¶	75·8	62·4	—	—	—	—

NHS hospitals in Islington DHA — Mental illness beds*

Hospital	Average daily number of occupied beds as a percentage of average daily number of available beds					
	1978	1979	1980	1981	1982	1983
City of London Maternity Home‡	—	—	—	—	—	—
Friern Hospital	95·1	94·4	93·1	91·6	87·3	90·3
Hornsey Central Hospital	—	—	—	—	—	—
Royal Northern Hospital	—	—	—	—	—	—
Southwood Hospital	—	—	—	—	—	—
Whittington Hospital	96·8	99·8	99·1	93·7	94·6	90·7
Whittington Home¶	—	—	—	—	—	—

NHS hospitals in Islington DHA — Maternity beds●*

Hospital	Average daily number of occupied beds as a percentage of average daily number of available beds					
	1978	1979	1980	1981	1982	1983
City of London Maternity Home‡	58·3	61·3	63·9	52·1	41·3	37·4
Friern Hospital	—	—	—	—	—	—
Hornsey Central Hospital	—	—	—	—	—	—
Royal Northern Hospital	—	—	—	—	—	—
Southwood Hospital	—	—	—	—	—	—
Whittington Hospital	55·1	71·1	70·9	79·0	78·5	70·7
Whittington Home¶	—	—	—	—	—	—

* Islington health district prior to 1.4.1982.
† "Acute" is defined as all specialties except geriatrics, younger disabled, GP maternity, obstetrics, mental handicap, and mental illness.
‡ Closed 20.3.1983.
Management responsibility passed from Islington HD to Hampstead DHA in 1982 but access to the hospital is shared by patients from Islington, Hampstead, Bloomsbury, and Haringey DHAs.
¶ Closed 4.10.1979.
● "Maternity" includes GP maternity and obstetrics.

International House, Woolwich

Mr. Cartwright asked the Secretary of State for Social Services why his Department has not yet classified International House, Woolwich, as a hostel under the supplementary benefit regulations; what representations he has received on this matter; and when he expects to reach a decision.

Mr. Whitney: A question whether or not an establishment should be treated as a hostel for supplementary benefit purposes is intially referred to the adjudication authorities for determination. If their findings are that it falls outside the definition, my right hon. Friend has power to decide. The director of International Students Housing Society has written to the Department representing that International House, Woolwich, should be treated as a hostel. The adjudication authorities' determination that it falls outside the definition of a hostel has only just been received. We are considering now whether the establishment should be designated as a hostel, using my right hon. Friend's powers.

Child Benefit

Mr. Colvin asked the Secretary of State for Social Services what is his Department's estimate of the annual cost of child benefit at the rate announced by him on 18 June, to come into effect in November 1985.

Mr. Newton: £4·45 billion.

Mr. Colvin asked the Secretary of State for Social Services what is his Department's estimate of the number of people receiving child benefit; and how many of these are currently paying income tax.

Mr. Newton: It is estimated that about 85 per cent. of the 6·9 million families currently receiving child benefit are liable to income tax.

Mr. Colvin asked the Secretary of State for Social Services what is his Department's estimate of the revenue raised if child benefit were taxed as income as considered in paragraph 4.35 of vol. 2 of the Green Paper, "Reform of Social Security".

Mr. Newton: The estimated yield from taxing child benefit would be about £1¼ billion in a full year at 1985-86 levels of income, tax allowances and benefit rates. This is on the assumption that receipt of child benefit would be treated as an addition to the taxable income of a couple or a single parent liable to tax. However, this yield would be considerably less if any unused amount of wife's earned income allowance could be set against the benefit.

Departmental Staff

Mr. Simon Hughes asked the Secretary of State for Social Services how many and what proportion of staff of what grades and what length of service have left employment at his Department's offices nationally, in London generally and at each of his Department's offices in London each year since 1981.

Mr. Whitney: Information on leavers is not retained by location and length of service and could be provided only at disproportionate cost. However, details of leavers nationally for all administrative grades within local offices are available to the end of 1983 and are as follows:

	Principal	*SEO*	*HEO*	*EO/LOI*	*CO/LOII*	*CA*	*Total*
1981							
No. of Leavers	109	174	367	1,390	3,809	1,920	7,769
Leavers as percentage of staff in post	16	13	8	7	9	13	9
1982							
No. of Leavers	87	140	330	973	3,722	1,753	7,005
Leavers as percentage of Staff in post	13	12	7	5	9	13	9
1983							
No. of Leavers	88	154	400	1,426	3,886	1,836	7,790
Leavers as percentage of staff in post	14	14	9	7	10	14	10

These figures represent all leavers, including retirements, terminations and resignations.

Funeral Expenses

Sir David Price asked the Secretary of State for Social Services whether he estimates that net payments for funeral expenses out of the social fund would exceed present total expenditure out of the national insurance fund on death grant benefits and administration.

Mr. Newton: I refer my hon. Friend to my reply to the hon. Member for Pontypridd (Mr. John) on 18 June, at column *104*. Until the number of payments likely to be made for funeral expenses has been assessed, an estimate cannot be made of total expenditure on this element of our social fund proposals. Administrative costs, however, currently account for over 40 per cent. of the total cost of the death grant and such costs will be reduced under the proposed new system of help with funeral expenses.

Drug Addicts

Mr. Sackville asked the Secretary of State for Social Services what treatment facilities are available for persons addicted to cocaine.

Mr. John Patten: Details of specialist facilities available for the treatment of drug misusers, including those addicted to cocaine, are provided in "Drug Misuse Prevalence and Service Provision" published by the Department on 19 June, copies of which have been placed in the Library. In addition, general hospital and community health and family practitioner services are available.

NHS (Outpatients)

Mr. Knox asked the Secretary of State for Social Services if he will give the total number of outpatient attendances in National Health Service hospitals in 1983; and what was the comparable figure for 1978.

Mr. Kenneth Clarke: In 1983 the total number of outpatient attendances in National Health Service hospitals in England was 36,519,550. The corresponding figure for 1978 was 33,950,339. This represents an increase of 2,569,211, or 7·6 per cent. over the period.

Retirement Age

Mr. Harvey asked the Secretary of State for Social Services what is his estimate of the cost of lowering the male retirement age to 64, 63, 62, 61 and 60 years in a full year; and what is his estimate of the average cost in each age category *(a)* per single retired person and *(b)* per retired married couple.

Mr. Newton: The latest estimate of the cost of reducing the pension age for men is as follows:

Reduction of pension age to	*Cost £ million (1983-84)*
64	400
63	900
62	1,400
61	1,900
60	2,600

This estimate revises the figures quoted in the Department's memorandum of evidence to the Social Services Committee's inquiry into age of retirement.

National Insurance

Mr. Phillip Oppenheim asked the Secretary of State for Social Services if he has any plans to change the system of national insurance contributions so that contribtions are paid alike by part-time and full-time workers.

Mr. Whitney: National insurance contributions are already paid alike by those part-time and full-time workers whose earnings reach the lower earnings limit (currently £35·50 per week).

Mr. Phillip Oppenheim asked the Secretary of State for Social Services if his Department is aware of any studies on the system of national insurance contributions, and its effect on full-time and part-time employment.

Mr. Whitney: The following recent studies seeking to forecast the economic effects of the Budget have been concerned in part with the proposals to restructure National Insurance contributions:

(a) London Business School Economic Outlook 1984-88 Vol. 9, No. 6 (March 1985);
(b) University of Liverpool Quarterly Economic Bulletin Vol. 6, No. 1 Budget Supplement (March 1985);
(c) C. Johnson, "NICs make news", Lloyds Bank Economic Bulletin (April 1985);
(d) E. Davis and A. Dilmot "The restructuring of national insurance contributions in the 1985 budget", The Fiscal Studies (May 1985).

In addition, we are aware of the following studies which look, in part, at the system of national insurance contributions:

(a) R. Layard and S. Nickell, "The Causes of British Unemployment", National Institute Economic Review, February 1985;
(b) P. Minford, "Unemployment: Cause and Cure", London, Martin Robertson, 1983;
(c) C. Craig and F. Wilkinson, "Pay and Employment in Four Retail Trades", Department of Employment Research Paper No. 51, 1985;
(d) P. Hart and C. Trinder, "Employment Protection, National Insurance Income Tax and Youth Unemployment", National Institute for Economic and Social Research, Working Paper, 1984;
(e) O. Robinson and J. Wallace, "Part-Time Employment and Sex Discrimination Legislation", Department of Employment Research Paper No. 43.

However, none of these is concerned with the particular effects on full-time and part-time employment.

Great Ormond Street Hospital (Cardiac Block)

Mr. Dobson asked the Secretary of State for Social Services what is the latest estimated cost and completion date of the works to make safe the cardiac block at Great Ormond street hospital for sick children.

Mr. John Patten: I shall let the hon. Member have a reply as soon as possible.

Board and Lodging Regulations

Mr. McCrindle asked the Secretary of State for Social Services what reports he has received on the operation of the revised board and lodging regulations for young people with particular reference to those without an accepted home address and those released from prison; and if he will make a statement.

Mr. Newton: My hon. Friend wrote to me on 24 June enclosing a letter from the Essex probation service about this problem and he will receive a full reply shortly.

The exemptions from time limits on boarder status already cover people who entered the accommodation as part of a programme of rehabilitation or resettlement under guidance from, among others, the probation service. The time limits do not apply to young peole in hostels, including probation hostels.

In addition, we have received a number of letters from other hon. Members and from organisations and individuals asking for consideration to be given to exempting other categories of young people from the time limits on board and lodging payments. In my statement to the House on 25 June I announced that we were introducing regulations to extend the exemption categories to cover young people living with their families in board and lodging accommodation. The regulations, which were laid yesterday, will also allow the exemption categories to be further extended if the need is shown.

Pensions

Mr. John asked the Secretary of State for Social Services if he will provide estimates, at 1984-85 prices, of projected expenditure on the state earnings-related pension scheme in 1995 to 1996, 2005 to 2006, 2023 to 2024 and 2033 to 2034 if the proposals in the social security Green Paper are implemented.

Mr. Newton: [*Pursuant to his reply*, 17 June 1985, c. *49*]: Expenditure on an unchanged state earnings-related pension scheme would rise from about £1·6 billion in 1995 to £23 billion in 2033. If changes proposed in the Green Paper are implemented, savings will start to be made after 2002. The cost of the scheme is expected to be reduced by about half by 2023 and by about three-quarters by 2034. More precise figures will not be available until the proposals have been finalised in the light of consultations.

Tooth decay

Lord James Douglas-Hamilton asked the Secretary of State for Social Services (1) what was the percentage proportion of children of different ages with known tooth decay in England and Wales over each of the last five years;

(2) what was the average number of teeth with known tooth decay experienced by children in England and Wales over each of the last five years.

Mr. Kenneth Clarke [*pursuant to his reply*, 24 June 1985, c. *333-34*]: We can obtain this information only from the 10-yearly children's dental health surveys and the most recent comparative data for England and Wales are as follows:

Percentage of children with treated or active dental decay in both the primary and permanent teeth.

Age	*1973*	*1983*
5	71	48
6	80	55
7	86	65
8	91	73
9	93	79
10	93	80
11	95	80
12	95	83
13	95	83
14	96	88
15	97	93

Average number of teeth with treated or active dental decay in both the primary and permanent teeth.

Age	*1973*	*1983*
5	3·4	1·7
6	3·9	2·0
7	4·3	2·7
8	5·0	3·0
9	5·0	3·4
10	4·9	3·4
11	4·9	3·4
12	5·2	3·3
13	6·2	3·8
14	7·4	4·7
15	8·4	5·7

NATIONAL FINANCE

United States Economy (European Community Action)

8. **Mr. Wallace** asked the Chancellor of the Exchequer what action he is taking in conjunction with other European Community Governments in anticipation of a recession in the United States of America in 1986.

Mr. Lawson: There is no reason to expect a recession in the United States of America in 1986.

Charities

10. **Sir William van Straubenzee** asked the Chancellor of the Exchequer whether he has received any representations regarding changes in the tax treatment of charities owning premises to which they admit their subscribers free of charge; and if he will make a statement.

Mr. Ian Stewart: There have been a number of representations, mainly on behalf of one particular charity.

Economic Policy (Pay Levels)

17. **Mr. Ashdown** asked the Chancellor of the Exchequer if he will make a statement about the implications for the Government's economic policies of the current level of pay increases.

Mr. Peter Rees: My right hon. Friend gave a statement of our economic policy in his Budget statement. The current level of pay increases will not change our objectives.

Exchange Rate

19. **Mr. Straw** asked the Chancellor of the Exchequer if he will make a statement about the current level of the exchange rate and its effect on economic prospects.

Mr. Ian Stewart: At close of business in London last night, the sterling effective exchange rate index stood at 80·6. The strength of sterling in recent months has further enhanced the prospects of lower inflation over the next year.

Inflation

20. **Mr. Deakins** asked the Chancellor of the Exchequer whether Her Majesty's Government still expects inflation to fall to 3 per cent. by 1988.

Mr. Ian Stewart: This is still a reasonable assumption.

35. **Mr. Evenett** asked the Chancellor of the Exchequer what he expects the trend in the rate of inflation to be at the end of 1985.

Mr. Ian Stewart: Downwards.

37. **Mr. Andrew MacKay** asked the Chancellor of the Exchequer if he will make a statement on the current level of inflation.

46. **Mr. Dubs** asked the Chancellor of the Exchequer what is the latest rate of inflation.

Mr. Ian Stewart: I refer the hon. Gentlemen to the answer given by my right hon. Friend to the hon. Member for Liverpool, West Derby (Mr. Wareing).

48. **Mr. Wrigglesworth** asked the Chancellor of the Exchequer what is his latest estimate of the rate of price inflation for the second quarter of 1985.

Mr. Ian Stewart: The retail prices index rose by 6·9 per cent. in the year to April 1985, and 7 per cent. in the year to May. The rise in the year to June is also likely to be about 7 per cent.

Mr. Blair asked the Chancellor of the Exchequer if he will list the figures for inflation and M3 since 1979 on a monthly basis.

Mr. Ian Stewart: Monthly figures for retail prices are published in *Economic Trends* on page 42. Figures for M3 are given in table 11.1 of *Financial Statistics*.

Value Added Tax

21. **Mr. David Atkinson** asked the Chancellor of the Exchequer if he has received any recent representations in favour of raising the threshold for value added tax; and if he will make a statement.

Mr. Moore: About 20 such representations have been received since the last Budget. Increases in the VAT registration threshold are restricted by article 24 of European Council sixth VAT directive to those which maintain its value in real terms. The increase announced in the Budget was the maximum permissible within this restriction and took full account of inflation since April 1973.

22. **Mr. Thurnham** asked the Chancellor of the Exchequer what recent representations he has received about preferential treatment on value added tax debts.

Mr. Ian Stewart: None.

44. **Mrs. Currie** asked the Chancellor of the Exchequer what is the total amount of value added tax currently outstanding.

Mr. Hayhoe: It is estimated that the average amount of value added tax outstanding is £1,200 million.

Exports (Economic Activity)

23. **Mr. Yeo** asked the Chancellor of the Exchequer if he will make a statement on the contribution of exports to the current level of economic activity.

Mr. Peter Rees: The rise of 8½ per cent. in the volume of exports of goods and services over the year to the first quarter of 1985 has been a major factor in the rise in total output. Strong export performance, higher investment and increased consumer spending have all contributed to a rise in gross domestic product of 3½ per cent. over the same period, allowing for the effects of the coal strike.

Johnson Matthey Bankers

24. **Mr. Campbell-Savours** asked the Chancellor of the Exchequer if he has now received the Bank of England report into the collapse of the Johnson Matthey Bankers; and if he will make a statement.

Mr. Ian Stewart: I refer the hon. Gentleman to the statement made by my right hon. Friend on 20 June.

Sterling M3

25. **Mr. Sedgemore** asked the Chancellor of the Exchequer if he will make a statement about the growth of sterling M3.

28. **Mr. Fisher** asked the Chancellor of the Exchequer whether he will make a statement on the most recent position of sterling M3.

Mr. Ian Stewart: The growth of sterling M3 remains hard to interpret. The financing effects of accelerated investment to take advantage of the higher capital allowances available in 1984-85 can be expected to take a number of months to unwind. M0 remains well on track. There is no evidence that monetary conditions at present are insufficiently tight.

State Earnings-related Pension Scheme

26. **Mr. Tony Lloyd** asked the Chancellor of the Exchequer if he has received any submissions from the Confederation of British Industry regarding the cost to industry over the next five years of the proposals for the phasing out of the state earnings-related pension scheme.

Mr. Peter Rees: No.

Share Ownership

45. **Mr. Kirkwood** asked the Chancellor of the Exchequer if he will make a statement on Her Majesty's Government's plans in addition to privatisation to effect wider share ownership.

27. **Mr. Tim Smith** asked the Chancellor of the Exchequer what measures in addition to privatisation he plans to take to encourage wider share ownership.

Mr. Moore: Providing encouragement for wider share ownership is an important objective of Government policy. Several tax measures have been introduced to promote employee shareholding. Other tax changes, including the abolition of the investment income surcharge and the reduction of stamp duty will promote wider ownership of shares. Clause 43 of the Finance Bill proposes that, for share disposals made after the Bill receives Royal Assent, the period after which shares appropriated to employees under an approved profit sharing scheme may be sold without any income tax liability should be reduced from seven to five years. The scope for further measures will be kept under review.

32. **Mrs. Virginia Bottomley** asked the Chancellor of the Exchequer if he will make a statement on his recent meeting with the Wider Share Ownership Council.

Mr. Moore: My right hon. Friend the Chancellor of the Exchequer spoke to the Wider Share Ownership Council on 11 June, on the occasion of the Maurice Macmillan memorial lecture. In his speech, he recalled Maurice Macmillan's dedication to policies aimed at the creation of wealth and its diffusion among the people at large. He referred to the sharp increase in individual share ownership as a result of the Government's privatisation programme and our measures to promote employee share schemes. He also described the success of our efforts to promote home ownership, with over 60 per cent. of all households in Britain now owning their own homes. He put all these measures in the context of the Government's fundamental belief in the idea of a property-owning democracy.

Manufacturing Output

29. **Mr. Eggar** asked the Chancellor of the Exchequer if he will make a statement on the level of manufacturing output.

Mr. Peter Rees: Manufacturing output in the latest three months is 10 per cent. above its trough in the first quarter of 1981. The June CBI trends inquiry indicates a continuation of healthy output growth and little upward pressure on prices.

Economic Growth

30. **Mr. Simon Hughes** asked the Chancellor of the Exchequer whether he is satisfied with the current rate of growth in the economy.

Mr. Peter Rees: Gross domestic product grew by an underlying 3½ per cent. between the first quarters of 1984 and 1985. All the indications are that we are now entering a fifth year of increased economic activity—the longest period of continuous growth since the 1973 oil crisis.

Capital Projects (Public Sector Spending)

31. **Mr. Cyril D. Townsend** asked the Chancellor of the Exchequer if he is satisfied that the public sector is spending sufficient money on capital projects.

Mr. Peter Rees: Each proposal for a capital project is considered on its own merits. Within our overall spending plans, we acknowledge the need to find room for worthwhile capital projects.

Social Security Reform

33. **Mr. Foulkes** asked the Chancellor of the Exchequer if he has made any calculation of the increase in either income tax or national insurance contributions which will result from the proposals contained in the Green Paper on the reform of social security and the impact of any such increases on the tax and price index.

Mr. Moore: The implications for national insurance contributions of phasing out the state earnings related pension scheme are outlined in the Green Paper "Reform of Social Security"—volume 2, chapter 1, paragraphs 1.62-1.64. The Green Paper proposals will reduce rather than increase income tax.

Economic Policy (Unemployment Rates)

34. **Mrs. Clwyd** asked the Chancellor of the Exchequer if he will make a statement on the effect of the trend in the rate of unemployment on his economic policies.

Mr. Peter Rees: We will continue with policies to secure a continuing reduction in the rate of inflation and

to encourage enterprise, efficiency and flexibility throughout the economy. Sustained progress in these areas is essential for continued growth of output and continued growth of employment.

Government Expenditure

36. **Mr. Terry Lewis** asked the Chancellor of the Exchequer if he still expects to reach his targets for total expenditure in 1985-86 as outlined in "The Government's Expenditure Plans 1985-86 to 1987-88".

Mr. Peter Rees: Yes.

Interest Rates

38. **Mr. Latham** asked the Chancellor of the Exchequer whether he will make a statement on the current level of interest rates.

40. **Mr. Ray Powell** asked the Chancellor of the Exchequer if he will make a statement about the level of interest rates.

Mr. Ian Stewart: Short-term interest rates remain high but have fallen by around 1½ per cent. from the levels reached in January. Short-term rates will be held at the level needed to achieve monetary conditions that will continue to bring inflation down.

Tax Yields (Petrol and Diesel)

39. **Mr. Nicholls** asked the Chancellor of the Exchequer what has been the effect on estimated tax yields for 1984-85 of fluctuations in the retail price of petrol and diesel.

Mr. Hayhoe: The 1984-85 Budget forecast for revenue from hydrocarbon oil was achieved. Although short-term price fluctuation may affect the yields of value added tax and excise duties, these effects are generally small, and cannot be determined in isolation.

North Sea Oil

41. **Mr. Wainwright** asked the Chancellor of the Exchequer what is his estimate of the likely shortfall in 1985-86 of tax revenues from North sea oil if its current prices prevail during the rest of that year.

Mr. Moore: North sea revenues depend on other factors such as oil production and company expenditure as well as sterling oil prices. The sensitivity of oil revenue forecasts to various changes in the underlying assumptions was described in the Budget day press notice on North sea revenues.

Public Sector Pay

42. **Mr. Alex Carlile** asked the Chancellor of the Exchequer whether he is satisfied with the current state of public sector pay policy.

Mr. Peter Rees: We believe that all employers, including Government and others in the public sector, should seek to pay what is needed to recruit, retain and motivate their employees and what can be afforded.

Manufacturing Industry

43. **Mr. Fallon** asked the Chancellor of the Exchequer how he views the prospects for employment in manufacturing industry.

Mr. Peter Rees: Manufacturing employment has been falling almost continuously since the late sixties. Recent CBI survey evidence points to little decline over the next few months and is therefore encouraging.

Public Sector Borrowing Requirement

47. **Mr. Portillo** asked the Chancellor of the Exchequer whether he now estimates that the public sector borrowing requirement for 1985-86 will turn out at the figures announced in the Budget.

Mr. Peter Rees: There is no reason to alter the Budget forecast.

Domestic Rates

49. **Mr. Chapman** asked the Chancellor of the Exchequer what proportion of total revenue to public funds comes from domestic rates.

Mr. Peter Rees: In 1985-86 income from domestic rates—net of domestic rate relief grant and net of rate rebates — will be about 4 per cent. of general Government total current and capital receipts.

Oil Revenues

50. **Mr. Lofthouse** asked the Chancellor of the Exchequer if he has revised his forecasts for Treasury oil revenues in the light of recent movements in the sterling exchange rate and in the oil price.

Mr. Moore: It would be premature at this stage to make any revision to the Budget forecast.

Economic Progress

51. **Mr. Phillip Oppenheim** asked the Chancellor of the Exchequer what recent representations he has received from the Confederation of British Industry about the economy.

Mr. Peter Rees: The results of the latest CBI inquiry are very encouraging and show that the total order book is around the highest level recorded and that there is a continued healthy growth in manufacturing output with little outward pressure on producer prices.

Communion Wine

52. **Mr. Gregory** asked the Chancellor of the Exchequer what representations he has received on the subject of taxation of communion wine.

Mr. Hayhoe: I am unable to trace any representations, but if my hon. Friend is aware of any problem, perhaps he would write to me.

Share Option Schemes

53. **Mr. Stern** asked the Chancellor of the Exchequer how many share option schemes, and for approximately how many shareholders, have been approved under section 38 of the Finance Act 1984; and how many such schemes for approximately how many shareholders, are awaiting approval.

Mr. Moore: By mid-June 445 schemes had been approved by the Inland Revenue under section 38 of the

Finance Act 1984. A further 909 schemes were awaiting approval, 719 of which had already been fully examined by the Revenue and were the subject of correspondence with the applicant. It will not be possible to determine the number of individuals who were granted share options under these schemes in 1984-85 until later in the year when the Revenue has received and analysed sufficient annual returns from the companies concerned. Figures for 1985-86 will not be available until autumn 1986.

Unemployment (Scotland)

54. **Mr. Tom Clarke** asked the Chancellor of the Exchequer if he will estimate the effect on the level of the public sector borrowing requirement of the current level of unemployment in Scotlands.

Mr. Peter Rees: The current cost of benefits to the unemployed in Scotland is about £700 million. Since it is not possible to estimate the revenue forgone, the full effect on the public sector borrowing requirement cannot be estimated.

Personal Earnings

55. **Mr. Spencer** asked the Chancellor of the Exchequer what is the percentage increase in personal earnings over the last 12 months.

Mr. Peter Rees: Average earnings in the whole economy grew at an underlying rate of 7·5 per cent. in the 12 months to April. The underlying rate of growth of earnings in manufacturing was 8·75 per cent.

Value Added Tax (Double Glazing)

56. **Mr. Holt** asked the Chancellor of the Exchequer what recent representations he has received about the level of value added tax on double glazing; and if he will make a statement.

Mr. Hayhoe: About two dozen since 1 January. I can hold out no prospect of any change in the rate of coverage of the tax at this time.

Stamp Duty

Mr. Hind asked the Chancellor of the Exchequer whether he will take steps to prevent the avoidance of stamp duty on company takeovers.

Mr. Moore: Yes. The Government are tabling a new clause to the Finance Bill restricting the stamp duty exemption for renounceable letters of allotment and similar instruments. A Ways and Means resolution is also being tabled. Copies of an Inland Revenue press release giving details of the proposal are being placed in the Library.

Banks (Auditors)

Mr. Spencer asked the Chancellor of the Exchequer whether he proposes to introduce legislation to raise the qualifications required by external auditors of annual accounts of banks recognised under the Banking Act 1979; and if he will make a statement.

Mr. Ian Stewart: The "Report of the Committee set up to consider the System of Banking Supervision" (Cmnd. 9550) stressed the need for the auditors of deposit-taking institutions to be properly qualified in terms of training and experience.

In his statement to the House on 20 June my right hon. Friend said that he would give careful consideration to the committee's report and accepted it as a basis for immediate consultation.

Taxation and Benefits (Integration)

Mr. Leigh asked the Chancellor of the Exchequer what representations he has received on the integration of taxation and benefits.

Mr. Moore: I have received a number of representations.

Single Transferable Tax Allowance

Mr. Phillip Oppenheim asked the Chancellor of the Exchequer if any studies have been made to calculate the potential impact on jobs of a single transferable tax allowance.

Mr. Moore: The move to fully transferable allowances will alleviate the poverty and unemployment traps. There will be further discussion in the forthcoming Green Paper on personal tax reform.

Association of Former Trainees of the European Communities

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether any part of the cost of the EEC subsidy to the Association of Former Trainees of the European Communities to mount a demonstration in Milan on 29 June will fall on the British taxpayer directly or indirectly.

Mr. Ian Stewart: The European Commission provides the Association with an office and secretarial services in one of its buildings in Brussels. There is no other subsidy. The costs of the services provided fall on the Community budget. The association has not indicated that any such demonstrations has been planned.

EC (Own Resources)

Mr. Gould asked the Chancellor of the Exchequer, pursuant to the answer of 16 May, *Official Report*, columns *191-92*, concerning EEC own resources, to what factors he attributes the fact that the United Kingdom's value added tax contribution, as a percentage of gross domestic product, has risen by more than that of any other member state except Luxembourg since 1980.

Mr. Ian Stewart: I shall let the hon. Member have a reply as soon as possible.

"Official Report"

Sir Geoffrey Finsberg asked the Chancellor of the Exchequer what action has been taken either by way of financial penalty or other disciplinary action against those persons who delayed the production of the *Official Report* published on 7 June.

Mr. Hayhoe: The delay in production was caused by staff reaction to management taking disciplinary action against one of their colleagues. The man concerned has since resigned. The press is now working normally and matters have been left at that.

Exchange Rate and Oil Price Assumptions

Mr. Blair asked the Chancellor of the Exchequer if he will publish the assumptions used by Her Majesty's Government for the exchange rate and oil price in their forecast of oil revenues in the Financial Statement and Budget report.

Mr. Peter Rees: I shall let the hon. Member have a reply as soon as possible.

Money Supply

Mr. Blair asked the Chancellor of the Exchequer whether M3 is still the principal measure of the money supply used by Her Majesty's Government.

Mr. Ian Stewart: The two targeted monetary aggregates for 1985-86, as for 1984-85, are M0 and £M3. As my right hon. Friend the Chancellor made clear in his Budget speech, equal weight is given to each.

Income Tax

Mr. Portillo asked the Chancellor of the Exchequer in how many countries of which he has knowledge the starting rate of national income tax is higher than 30 per cent.

Mr. Moore: I shall let my hon. Friend have a reply as soon as possible.

Johnson Matthey Bankers

Dr. McDonald asked the Chancellor of the Exchequer (1) whether the security offered to Johnson Matthey Bankers by the Gomba-related companies was in accordance with normal banking practice; and if he will make a statement;

(2) what was the amount owed to Johnson Matthey Bankers by companies associated with Abdul Shamji and Gomba Holdings, his Jersey-registered master company, when the Bank of England acquired Johnson Matthey Bankers in October 1984;

(3) what steps Johnson Matthey Bankers has taken to secure its loans to Gomba-Stonefield and other Shamji related companies;

(4) whether Johnson Matthey Bankers has lent additional funds to Shamji or Gomba-related companies since 1 October 1984; and if he will make a statement;

(5) by how much Johnson Matthey Bankers assisted Gomba-Stonefield at the end of the week ended 21 June; for what purpose; and if he will make a statement.

Mr. Ian Stewart: JMB's transactions with individual customers are commercial matters. Its lending decisions are the responsibility of JMB's new management; and are confidential between the bank and its customers. The Government are not involved in such decisions.

Lloyd's Syndicates (Reinsurance)

Mr. Steen asked the Chancellor of the Exchequer when he hopes to conclude his consideration of the tax position of the reinsurance arrangements of Lloyd's syndicates; and if he will make a statement.

Mr. Ian Stewart: The Inland Revenue is responsible for handling the tax affairs of Lloyd's syndicates and their underwriting members.

Yen (International Currency)

Mr. Hickmet asked the Chancellor of the Exchequer what action he is taking to persuade the Japanese authorities to allow their currency to become an international currency.

Mr. Ian Stewart: In the interests of the efficient working of the international trading and financial systems, it is important that the world's major industrial economies ensure that their domestic markets—both financial and for goods — are open to their competitors. Large economies such as Japan must allow their currencies to play a part commensurate with their relative importance to world trade, income and wealth. By most criteria the international role of the yen is still relatively undeveloped for an economy of Japan's size. My right hon. Friend pressed on Finance Minister Takeshita the importance to the world economy of further moves in Japan to remove any remaining restrictions on the free movement of capital which are not required for prudential purposes and to make as rapid progress as possible in increasing the range and availability of yen-denominated financial assets. These questions have also been discussed at official level. Although the Japanese Government have recently taken some steps to liberalise both the Euroyen and the domestic yen markets, this process needs to be taken considerably further.

Manufacturing Investment

Mr. Sean Hughes asked the Chancellor of the Exchequer if he will make a statement about the level of net investment in manufacturing over the period 1978 to present.

Mr. Peter Rees: Published figures for net investment in manufacturing do not reflect the growth of lease financing in recent years. They also rest on accounting judgments about asset lives. Gross business investment is at an all time high and that in manufacturing grew by 14 per cent. last year.

ENVIRONMENT

Local Authorities (Rate Limitation)

Dr. Cunningham asked the Secretary of State for the Environment if he will show for each authority selected for rate limitation in 1985-86 *(a)* its rate limitation expenditure level set in July 1984, *(b)* its budgeted total expenditure, (consistent with figures in column 28 of "Finance and General Rating Statistics 1985-86") and *(c)* the percentage difference between the two figures.

Mr. Patrick Jenkin: Based on information received from authorities, the information is as follows:

	(a) *Expenditure level* £ *million*	*(b)* *Reported "Total" expenditure* £ *million*	*(c)* *Percentage difference between (a) and (b)* *per cent.*
Basildon	13·662	13·662	nil
Brent	140·021	‡148·356	6·0
Camden	117·429	n/a	n/a
GLC	785·233	744·995	−5·1
Greenwich	66·584	*66·584	nil

	(a) Expenditure level	(b) Reported "Total" expenditure	(c) Percentage difference between (a) and (b)
	£ million	£ million	per cent.
Hackney	82·315	‡97·150	18·0
Haringey	128·658	‡136·048	5·7
ILEA	900·366	945·057	5·0
Islington	85·564	85·723	0·2
Lambeth	113·558	*116·212	2·3
Leicester	24·392	n/a	n/a
Lewisham	79·301	*‡81·682	3·0
Merseyside	205·180	‡213·000	3·8
Portsmouth	16·751	16·511	−1·4
Sheffield	216·573	‡218·630	0·9
Southwark	108·437	†108·437	nil
South Yorkshire	178·291	‡178·674	0·2
Thamesdown	14·199	14·199	nil

n/a=not available.

* based on information provided by authorities prior to rate setting (including Lambeth, which has still to set a rate).

† based on information provided informally by the authority and awaiting confirmation.

‡ the excess of reported expenditure over the expenditure level in part reflects the allowance made in setting the rate-precept limit where authorities budgeted in 1984-85 to make substantial use of special funds and where it seemed possible that they might have inadequate reserves in 1985-86; and, in the case of Hackney and Haringey, the allowance made for anticipated deficits in 1984-85.

Dr. Cunningham asked the Secretary of State for the Environment if he will estimate the overall total of expenditure for the authorities selected for rate limitation in 1985-86 at 1985-86 budget stage consistent with figures in column 28 of "Finance and General Rating Statistics 1985-86", compared with the same figures at budget stage for the same authorities in 1984-85; and if he will also publish the comparable figure for English local authorities as a whole.

Mr. Patrick Jenkin: Based on available information, latest estimates are as follows:

	"Total" Expenditure 1984-85 Budgets	1985-86 Budgets	Percentage Increase (in cash terms)
	£ million	£ million	per cent.
Authorities selected for rate limitation	*3,233	†3,327	2·9
All England	*21,194	†22,093	4·2

* excluding budgeted contributions by the GLC to London Regional Transport, for consistency with the 1985-86 figures.

† for the two rate-capped authorities for which information is not available, budgeted "total" expenditure has been assumed to be equal to their expenditure levels.

Dr. Cunningham asked the Secretary of State for the Environment if he will estimate the total grant penalties incurred by the 18 authorities selected for rate limitation in 1985-86 at 1985-86 budget stage, consistent with figures in column 34 of "Finance and General Rating Statistics 1985-86", compared with the comparable penalties for the same authorities in 1984-86.

Mr. Patrick Jenkin: Based on available information for 1985-86, total grant penalties incurred by the 18 authorities selected for rate limitation are estimated to amount to £83·9 million. In 1984-85 total grant penalties arising from the budgeted spending of these same authorities amounted to £142·6 million.

Dr. Cunningham asked the Secretary of State for the Environment if he will publish a list of those authorities from among the 18 selected for rate limitation in 1985-86 which set a rate or precept at or below the financial maximum approved by Parliament and which also propose to spend, according to figures consistent with those in column 28 of "Finance and General Rating Statistics 1985-86", above the rate limitation expenditure level set for each authority in July 1984.

Mr. Patrick Jenkin: Of the 18 authorities selected for rate limitation in 1985-86 which have set a rate, the following are budgeting, on information available, to spend in excess of their expenditure Levels:

Brent
Hackney
Haringey
ILEA
Islington
Lewisham
Merseyside
Sheffield
South Yorkshire

Dr. Cunningham asked the Secretary of State for the Environment if he will publish for each authority selected for rate limitation in 1985-86 the percentage increase in its expenditure target in 1985-86 compared with its target for 1984-85, showing the average increase for all 18 authorities and the average increase for English local authorities as a whole.

Mr. Patrick Jenkin: The information is as follows:

Percentage increase in expenditure targets between 1984-85 and 1985-86 for rate limited authorities

	Per cent.
Basildon	14·7
Brent	2·7
Camden	13·8
Greater London Council	39·8
Greenwich	13·7
Hackney	3·1
Haringey	3·5
ILEA	12·8
Islington	19·6
Lambeth	10·4
Leicester	3·1
Lewisham	4·7
Merseyside	22·5
Portsmouth	3·1
Sheffield	2·7
South Yorkshire	8·6
Southwark	14·3
Thamesdown	3·1
All rate limited authorities	16·4
All England	6·2

Dr. Cunningham asked the Secretary of State for the Environment if he will publish for each authority selected for rate limitation in 1985-86 for which figures are now available, the percentage increase or decrease in its 1985-86 budgets, consistent with figures in column 28 of "Finance and General Rating Statistics 1985-86", compared with its original 1984-85 budget, consistent with figures in column 28 of "Finance and General Rating Statistics 1984-85".

Mr. Patrick Jenkin: The available information is as follows:

Percentage change in budgeted "total" expenditure between 1984-85 and 1985-86

	per cent
Basildon	−0·7
Brent	+4·9‖
GLC	+0·7*
Greenwich	−2·2†
Hackney	+17·2‖
Haringey	+4·7‖
ILEA	+2·4
Islington	−0·5
Lambeth	+1·7‡
Lewisham	+2·3†‖
Merseyside	+18·5‖
Portsmouth	−2·1
Sheffield	−0·1†‖
Southwark	−0·7‡
South Yorkshire	+3·9*‖
Thamesdown	−0·7

* The year-to-year changes are affected by the change in the treatment of TSG; and, in the case of the GLC, the percentage has been calculated after deducting from the authority's 1984-85 budgeted "total" expenditure the budgeted contributions to passenger transport, which in 1985-86 are the responsibility of LRT.

† based on information provided by authorities prior to rate-setting (including Lambeth, which has still to set a rate).

‡ based on information provided informally by the authority and awaiting confirmation.

‖ the percentage increases in expenditure may in part reflect the allowance made in setting the rate-precept limit for these authorities which budgeted in 1984-85 to make substantial use of special funds and where it seemed possible that they might have inadequate reserves in 1985-86, and, in the case of Hackney and Haringey, the allowance made for anticipated deficits in 1984-85.

Housing Defects Act 1984

Mr. Rooker asked the Secretary of State for the Environment if he will set out in the *Official Report* the amount of prospective spend under the Housing Defects Act taken into account when making the housing investment allocations for the current year for each housing authority; and if he will give a breakdown between repairs and repurchase.

Mr. Gow: The need for expenditure on defective prefabricated reinforced concrete dwellings accounts for 3 per cent. of the generalised needs index which is used to make 50 per cent. (40 per cent. in London) of the housing investment programme allocations to individual authorities. Locally assessed factors, including particular problems in dealing with stock are taken into consideration in making the local discretionary element part of the allocation.

Planning Circulars

Dr. David Clark asked the Secretary of State for the Environment if he will outline the criteria he applies in deciding whether to consult interested organisations on draft circulars on planning and which organisations to consult.

Mr. Kenneth Baker: It is customary to consult the local authority associations and other interested organisations on draft circulars on planning matters, particularly where these introduce new procedures or are likely to make new demands on local authority manpower. The need for prior consultation and the range of interests consulted depends on the circumstances.

Dr. David Clark asked the Secretary of State for the Environment what was the most recent occasion on which his Department issued a circular on planning policy without previously consulting the relevant local authority associations.

Mr. Kenneth Baker: The last occasion on which a planning circular was published without prior consultation was on 22 November 1983, circular 25/83: The Town and Country Planning (Fees for Applications and Deemed Applications) Regulations 1983, which related to the revised scale of fees.

Dr. David Clark asked the Secretary of State for the Environment if he will indicate the policy areas that will be covered by the proposed circular on planning controls announced on 22 April.

Mr. Kenneth Baker: We have in mind that the circular and associated booklet should deal with planning matters which are of particular relevance to the development proposals of small firms.

Local Government Expenditure

Dr. Cunningham asked the Secretary of State for the Environment what are his Department's current estimates of the total amount by which local government expenditure is expected to exceed in 1985-86 *(a)* grant-related expenditure assessments and *(b)* expenditure targets; and if he will supply a breakdown of those figures in each category listed for each individual authority in terms of both total money amount and percentage.

Mr. Patrick Jenkin [*pursuant to his reply*, 21 June 1985, c. *263*]: The estimate of English local authorities' budgeted overspend against targets in 1985-86 should have been £226 million (not £266 million). This revised figure is consistent with the overspend against GRE of £820 million. None of the figures for individual authorities placed in the Library is affected by this change.

Written Answers to Questions

Friday 28 June 1985

SCOTLAND

Milk and Cream

Mr. Kennedy asked the Secretary of State for Scotland if he will make a statement on current progress regarding the bringing forward of amendments to the Milk (Special Designations) (Scotland) Order 1980 and the Cream (Heat Treatment) (Scotland) Regulations 1983; and if he will indicate which bodies are being consulted and the time scale envisaged for proposed amendments.

Mr. John MacKay: Proposed amendments to the Cream (Heat Treatment) (Scotland) Regulations 1983 were issued by my Department on 26 June 1985. The normal period for consultation of three weeks is proposed. After considering the responses, it is intended to lay the regulations before the summer recess. The organisations consulted are:

The Convention of Scottish Local Authorities.
The Scottish Milk Products Manufacturers' Association.
the Scottish Dairy Trade Federation.
The Scottish Milk Marketing Board.
The Aberdeen and District Milk Marketing Board.
The North of Scotland Milk Marketing Board.
The Royal Environmental Health Institute of Scotland.
The National Farmers' Union of Scotland.
The Association of Scottish Public Analysts.
The Scottish Food and Drugs Co-ordinating Committee.
The British Medical Association (Scottish Branch).
The Council of the Scottish Agricultural Colleges.
The Scottish Consumers' Council.

In addition, copies of the proposed amendments have been sent to two cream producers who have made representations about the proposals.

There are no proposals to amend the Milk (Special Designations) (Scotland) Order 1980 in respect of the raw milk policy.

Nurses and Midwives

Mr. Kennedy asked the Secretary of State for Scotland how he expects to fund the costs which will be incurred by the Scottish health boards in meeting the pay awards to nurses and midwives during the financial year 1986-87.

Mr. John Mackay: The cost to the health boards in 1986-87 of meeting the 1985 pay awards for NHS staff will be considered when forward provision for the health programme is reviewed in the current survey of public expenditure.

Surveillance Equipment

Lord James Douglas-Hamilton asked the Secretary of State for Scotland whether he has yet completed the review of the use of surveillance equipment by the police; whether guidelines on this and on the work of special branches have yet been issued; and if he will make a statement.

Mr. Younger: The review of the use of surveillance equipment has recently been completed and revised guidelines have been issued to the police in Scotland. Following a separate review, guidelines on special branches also have been issued. I am arranging for copies of both sets of guidelines to be placed in the Libraries of both Houses.

EUROPEAN COMMUNITY

Council of Ministers

Mr. Dykes asked the Secretary of State for Foreign and Commonwealth Affairs if he will publish in the *Official Report* a statement of forthcoming business in the European Community Council of Ministers.

Mr. Rifkind: The usual written forecast was deposited in the House earlier today. At present, four meetings of the Council are scheduled for July.

The Economic and Finance Council is due to meet on 8 July to continue its discussion of implementation of budget discipline in relation to the 1986 budgetary procedures. The Council will also consider the Commission's second quarterly review of the economic situation in the Community.

The Agricultural Council is expected to meet on 15 and 16 July to complete discussions on Commission price proposals in respect of cereals and rapeseed. The Council may also consider veterinary harmonisation (hormones and heat-treated milk).

The Foreign Affairs Council is due to meet on 22 and 23 July to consider a proposal for simplifying frontier controls at ports and airports; the Mediterranean financial protocols; policy on the multi-fibre arrangement; and a negotiating mandate for an EC/Central America co-operation agreement. The Council will probably also have to consider follow up to the Milan European Council.

The Industry Council is expected to meet on 26 July to discuss Commission proposals for a future regime for steel aids and quotas.

FOREIGN AND COMMONWEALTH AFFAIRS

Peru

Mr. Sean Hughes asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on current United Kingdom relations with Peru.

Mr. Renton: We enjoy friendly relations with Peru and maintain frequent contact on a wide range of subjects. Dr. Javier Silva Ruete, adviser to the President-Elect, Dr. Alan Garcia, was able to pay a short visit to London as our guest from 11-14 June. I will have the honour to represent the Government at Dr. Garcia's inauguration on 28 July.

ATTORNEY-GENERAL

Law Commission Liability

Sir John Biggs-Davison asked The Attorney-General when Her Majesty's Government propose to introduce legislation regarding the report of the Law Commission on liability; and what representations the Lord Chancellor has received from the construction industry in this regard.

The Attorney-General: I assume my hon. Friend is referring to the 24th Report of the Law Reform Committee (Cmnd. 9390) which concerns the law of limitation in

negligence cases involving latent damage. Legislation based on the Committee's recommendations will be introduced as soon as parliamentary time is available. Following publication of the committee's report, the Lord Chancellor's Department received a number of representations from a broad range of interested groups. Among those in the construction industry from whom comments were received were the Building Employers' Confederation, the Federation of Master Builders, the Royal Institute of British Architects, the Association of Consultant Architects, the Association of Consulting Engineers and the Institution of Civil Engineers.

PRIME MINISTER

Endangered Species

Mr. Chris Smith asked the Prime Minister if, further to her reply to the hon. Member for South Shields (Dr. Clark), 24 June, *Official Report*, column 292, she will indicate why the proceedings of the Committee on International Trade in Endangered Species Regulations are confidential.

The Prime Minister: The United Kingdom is observing the rules of procedure for this committee which state that the proceedings shall be confidential. This is the normal practice for committees of this nature.

Government Cars

Mrs. Renée Short asked the Prime Minister what is the yearly cost of hiring motor cars for use by Ministers of the Crown and senior civil servants; and if she will estimate the cost of the Government keeping its own fleet of small motor cars for this purpose.

The Prime Minister: The Government car service currently provides chauffeur driven transport to Ministers of the Crown, the Leader of the Opposition, senior civil servants and other authorised users of the service at an annual cost of £3,351,000. To supplement this at periods of peak demand, chauffeur driven cars and taxis are hired at an annual cost of £186,000.

EDUCATION AND SCIENCE

Burnham Committee

Mr. Cartwright asked the Secretary of State for Education and Science whether, as part of the forthcoming review of the Burnham committee arrangements, he will consider the case for an independent secretariat for the teachers' panel and for the adoption of rules and standing orders for the conduct of business by the teachers' panel.

Sir Keith Joseph: I have decided to undertake a review of the composition of the teachers' panel of the Burnham primary and secondary committee under the powers granted to me by the Remuneration of Teachers Act 1965. The Act does not give the holder of my office any powers to determine the Committee's working arrangements. Matters relating to the secretariat and to standing orders are accordingly outside the purview of the review.

Education Maintenance Allowances

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what would be the cost of providing education maintenance allowances for all pupils remaining in schools or colleges for one year after the statutory school leaving age, at the rate of £27 per week, for one week, 38 weeks, 40 weeks, or 52 weeks and similarly for those remaining for two years and for three years, after deducting child benefit and existing education maintenance allowances.

Sir Keith Joseph: The estimated cost of providing educational maintenance allowances for all pupils aged 16-18 remaining in schools and non-advanced further education beyond their 16th birthday is as follows:

£ million

	16	*17*	*18*	*All*
Cost for:				
1 week	6	4	1	12
38 weeks	243	160	48	451
40 weeks	256	168	50	474
52 weeks	333	218	65	617

The total sum of £617 million for 52 weeks replaces the answer given to the hon. Member for Denton and Reddish on 17 June at c. 6.

Notes:

1. Figures for pupils and students are as at January 1984.
2. Expenditure figures have been rounded; consequently the figures for each age group do not precisely match the totals in the right hand column.

Teachers (Pay)

Mrs. Sally Oppenheim asked the Secretary of State for Education and Science (1) what was the increase in teachers' pay in each of the years from 1974 to 1979 expressed as a percentage; and what was the total increase over the period expressed as a percentage;

(2) what was the increase in teachers' pay in each of the years from 1979 to 1985 expressed as a percentage; and what was the total increase during this period expressed as a percentage.

Sir Keith Joseph: Percentage increases in teachers' salaries for each year from 1979 to 1984 inclusive are given in the table. All settlements have been attributed to 1 April though those for 1974 and 1980 represent a consolidation of separate settlements applicable from two or more dates during those years.

The cumulative value of settlements over the six years up to and including April 1979 amounts to 126·3 per cent. The value of settlements over the subsequent five year period up to April 1984 amounts to 69·9 per cent. I would also refer my right hon. Friend to the answer I gave to my hon. Friend the Member for Ealing, North (Mr. Greenway) on 7 February at columns 667-668.

Percentage increase in teachers' pay

April	*Percentage*
1974	*37·0
1975	22·3
1976	8·3
1977	3·8
1978	9·9
1979	9·3
1980	†35·1
1981	7·5
1982	6·0
1983	5·0
1984	5·1

* A negotiated settlement of 8 per cent. from 1 April 1974 plus an additional 27 per cent. recommended by the Houghton Committee taking

effect from 24 May and estimated to be worth a further 2 per cent. in the long term.

† A 14·6 per cent. arbitration award plus an additional 17·9 per cent. awarded by the Clegg Commission.

NORTHERN IRELAND

Criminal Injuries (Compensation)

Mr. Stephen Ross asked the Secretary of State for Northern Ireland (1) if he will publish in the *Official Report* a table showing for each year since 1973 the amount of compensation payments made under the Northern Ireland (Emergency Provisions) Act 1973;

(2) if he will publish in the *Official Report* a table giving the amounts in each year since 1 January 1977, of payments made under the Northen Ireland (Emergency Provisions) Act 1978.

Mr. Scott: The information is as follows:—

Financial Year	*Amount Paid* £
1973-74	34,156
1974-75	27,848
1975-76	122,529
1976-77	133,797
1977-78	108,890
1978-79*	82,845
1979-80	148,571
1980-81	157,073
1981-82	115,375
1982-83	143,619
1983-84	174,240
1984-85†	235,384

Notes:

* Of this amount some £13,000 for April and May 1978 was paid under the Northern Ireland (Emergency Provisions) Act 1973. The balance of compensation for 1978/79 and all subsequent payments were made under the Northern Ireland (Emergency Provisions) Act 1978 which came into operation on 1 June 1978.

† This amount may be subject to a slight variation on completion of the Appropriation Account.

Royal Ulster Constabulary

Mr. McNamara asked the Secretary of State for Northern Ireland what was the cost of the Royal Ulster Constabulary in each calendar year 1983 and 1984 giving separately figures for *(a)* salary and benefits, *(b)* transport and communication, *(c)* new construction, *(d)* other costs, *(e)* total gross expenditure and *(f)* total net expenditure after deduction of receipts.

Mr. Scott: I shall reply to the hon. Member as soon as possible.

Security Staff

Mr. McNamara asked the Secretary of State for Northern Ireland what was the amount of the security staff premium paid by the Government in each of the fiscal years 1982-83 and 1983-84.

Mr. Scott: Payments under the security staff grants scheme came to £1,354,821 in 1982-83, and £1,296,377 in 1983-84.

Droppin Well Bombing (Remands)

Mr. McNamara asked the Secretary of State for Northern Ireland (1) if he will give the length of custodial remand undergone by persons charged in connection with the Droppin Well bombing; and if he will make a statement as to when the trial of such persons may be expected to take place;

(2) how the period of custodial remand undergone by persons charged in connection with the Droppin Well bombing compares with the average period of remand without bail for persons charged with scheduled offences in Northern Ireland; and if he will comment on reasons for any abnormal delay in bringing persons charged in connection with the Droppin Well bombing to trial.

Mr. Scott [*pursuant to his reply*, 24 June 1985, c. *322*]: Of the five persons currently awaiting trial having been charged with offences arising from the bomb explosion at the Droppin Well, Ballykelly on 6 December 1982, two have been in custody for 83 weeks, one has been in custody for 73 weeks and two have been in custody for 55 weeks.

All five persons were committed for trial on 20 November 1984 and were arraigned on 8 March 1985. The Crown has in principle been ready to proceed with the prosecution since that date. I understand that on 20 June 1985 the defence solicitors notified the Belfast Crown Court of the identities of the senior defence counsel, and that the trial may therefore be expected to take place during the legal term which begins in September 1985. The average period spent in custody between first remand and the first day of trial by those charged with scheduled offences who were in custody at the time their trial started and whose cases were disposed of during 1984, was 47 weeks.

There are a number of reasons why particular cases take longer than normal to bring to trial. In the case of the five persons charged with offences relating to the Droppin Well explosion. The fact that they were arrested at different times had on impact on the progress on police investigations and on subsequent stages leading up to arraignment. I am satisfied that there has been no untoward delay in the handling of this case.

TRADE AND INDUSTRY

Manufactures

Mr. Austin Mitchell asked the Secretary of State for Trade and Industry what is the estimate of the percentage of world trade in manufactures in 1984; and how this compares with the percentage in the United Kingdom.

Mr. Fletcher: The United Kingdom share of exports of manufactures by the main manufacturing countries is estimate to have been 7·6 per cent. in 1984. The MMCs account for about three quarters of world trade in manufactures.

House of Fraser

Mr. Wrigglesworth asked the Secretary of State for Trade and Industry (1) if he sought any evidence from sources other than the Al Fayeds or Kleinwort Benson as to whether the Al Fayeds had adequate cash resources from their own funds to pay for the House of Fraser prior to taking his decision not to refer their bid to the Monopolies and Mergers Commission; and if he will make a statement;

(2) if he sought any evidence, other than from Kleinwort Benson and the Al Fayeds upon which to ascertain the true beneficial ownership of the House of

Fraser prior to making his decision not to refer the bid by Al Fayed to the Monopolies and Mergers Commission; and if he will make a statement.

Mr. Fletcher: The Secretary of State took his decision not to refer in the light of information about the proposed merger from a number of sources.

Telephone and Radio Apparatus

Mr. Moynihan asked the Secretary of State for Trade and Industry whether he will introduce legislation to prohibit the sale of such cordless telephones and citizens band radio apparatus which it is an offence to use in the United Kingdom.

Mr. Pattie: I hope to introduce orders later this year on cordless telephones and citizens' band radio under Section 7 of the Wireless Telegraphy Act 1967 (as amended by section 77 of the Telecommunications Act) which gives powers to restrict manufacture, sale, hire and importation of specified wireless telegraphy apparatus. The restrictions will apply to all cordless telephones which are not exempt from licence requirements in the United Kingdom. The restrictions will also apply to all citizens' band radio which cannot be licensed for use in the United Kingdom with the exception of angle modulated radios designed to operate in the 26,960 MHz-27,410 MHz band and which meets the technical specifications contained in recommendations T/R 20-02 of the conference of European posts and telecommunications administrations. The exception will be made because the United Kingdom is moving towards harmonisation with the rest of Europe on the specification of CB equipment. However, because of the requirements of existing radio users, the CB service in the 26,960-27,410 MHz band cannot be introduced until 1987 at the earliest so use of this equipment will remain an offence until the band can be cleared of its existing users and made over to the CB service.

Mr. Moynihan asked the Secretary of State for Trade and Industry if he will seek to give legal force to BS 905: Part 2: 1985 which specifies limits of immunity for radio and television broadcast receivers and associated equipment.

Mr. Pattie: In over 20 per cent. of the complaints made to my Department in which the complaintts believe they are suffering radio interference the problem arises in fact because their own receiving equipment lacks immunity, that is the equipment picks up transmissions from various radio users operating outside the broadcast channels. In order to cut down these reception problems, I hope to introduce later this year regulations under section 12A of the Wireless Telegraphy Act 1949 (as amended by section 78 of the Telecommunications Act 1984) to restrict new contracts for the sale, hire and advertising of broadcast receiving equipment which does not meet BS 905: Part 2: 1985.

Common Law Institute of Intellectual Property

Mr. Moynihan asked the Secretary of State for Trade and Industry whether he is able to offer financial support to the newly-formed Common Law Institute of Intellectual Property.

Mr. Pattie: As the Green Paper published in December 1983 indicated, the importance of intellectual property for industry and commerce has been insufficiently appreciated in the United Kingdom. I therefore welcome the recent formation of the Common Law Institute of Intellectual property and propose to provide it with a grant aid of £25,000 in the current financial year and up to £50,000 in each of the two succeeding years, subject to matching contributions from industry, to carry out academic research into legal and economic factors relevant to the creation and exploitation of intellectual property rights. I shall monitor its operations, which should make a considerable contribution to the development of the innnovative capacity of the United Kingdom. Parliamentary approval to this new grant in aid provision will be sought in a revised Estimate for the scientific and technological assistance vote. Pending that approval the necessary expenditure will be met by repayable advances from the Contingencies Fund.

Wide Area Paging

Mr. John Browne asked the Secretary of State for Trade and Industry whether he has received the Director General of Oftel's advice on the future of Bands I and III and on wide area paging; and if he will make a statement.

Mr. Pattie: I have received the Director General's advice and I have also been able to discuss it with him. I understand it will be published today.

I have found the Director General's advice extremely helpful in reaching decisions on these matters. Our discussion enabled us to explore the more complex issues and reach agreement on means of finding solutions.

Before reaching my decisions I received comments from a number of hon. Members, from radio manufacturers and users. In addition, I and my officials have discussed the issues involved with industry and user groups and with individual companies.

In the light of the Director General's advice and given the uncertainty of forecasts of future demand for private mobile radio services and of the nature and speed of technical developments, I have decided against making allocations in the lower and upper sub-bands of band III at this stage and that therefore new band III users should operate in the middle sub-band of band III.

I am aware of the increasing interest in the United States of America in exploiting single side band modulation techniques to improve radio frequency spectrum use, particularly for land mobile radio and aeronautical public correspondence, and I am pleased to note that the United Kingdom has a prominent lead in the development of this technology. It is therefore sensible that encouragement be given to further development of SSB and I shall consider at the appropriate time its introduction in either the upper or lower sub-band of band III, or indeed in other parts of the radio spectrum.

I have decided that the balance of interest of United Kingdom industry and users of private mobile radio lies in the establishment of mobile radio on a nationwide basis. An invitation to apply by the beginning of September for licences to operated such a service will be issued on 1 July and I have asked the Director General to consider these applications and to make recommendations by the end of the year. Copies of the notes of guidance for applicants can be obtained at OFTEL.

For spectrum engineering reasons, including the need to avoid causing interference to neighbouring countries, it

is possible that only one licence will be issued on a nationwide basis. Certainly these reasons will preclude the assignment of more than a handful of national frequencies. In the long term, some 200 channels will be made available for nationwide services but initially somewhat less than this number will be released.

Whether one or two systems are licened on a nationwide basis initially, provision will be made to allow a further national private mobile radio network to operate in the lower sub-band of band III as and when demand and the needs of competition call for it.

One of the main reasons prompting this decision is that a demand for private mobile radio on a national roaming basis does appear to exist and could not be met by a collection of local systems; a geographical coverage requirement will be imposed on any successful applicant for a national system licence, but I believe it would be better to decide on that requirement after the applications have been received. The allocation of a substantial section of the available spectrum for private mobile radio in band III on a nationwide basis requires that careful consideration be given to the question of competition. In particular, the case which the Director General has made for two networks will need to be weighed carefully against the engineering contraints to which I have referred. Here again this may prove easier once applications have been received. Applicants will therefore have to state whether they are seeking to operate a single network with a maximum of 200 channels or one of two networks with a maximum of 100 channels each. They will also have to state whether they would accept a licence on either basis.

The Director General will, of course, give weight to this and other competition questions in preparing his recommendations on the applications for licences. But the Director General and I believe that some conditions should be laid down in advance. First, as with the two cellular radio networks, a nationwide radio network operator will be able to sell its services only to service providers. Specific permission will have to be sought to deal directly with end users. Secondly, because of the potential conflict of interest, the existing public telecommunications operators should not be allowed to become nationwide network operators, although this exclusion should not extend to their associated companies (including parents and subsidiaries). However, they should be allowed to be service providers.

The Director General has recommended that the particular dominance of BT is such that neither they nor their subsidiary companies should be allowed to be a nationwide network operator or service provider using it. I have decided that I must accept the Director General's advice on this issue. However, I agree with him it would be wrong to deprive the user of the potential expertise BT, in particular, possesses in this area and it would not be debarred from owning a minority holding in a service provider using a nationwide network. I also hope that BT and any other site owners will be prepared to negotiate for the use of their existing radio mast sites by any network operators.

I have considered carefully the Director General's advice that similar consideration should apply to Racal. In our discussion we concluded that the arguments were finely balanced and I have come to the conclusion that it would not be right to exclude Racal in this way. I will, however, ask the Director General to satisfy himself if it does apply that its proposal safeguards competitive policy.

I have already announced, on 28 January 1985 at columns *47-8*, that no new national radio telephone service will be licenced before the position is reviewed towards the end of 1986. Applications for licences to operate a nationwide radio service should therefore be on the basis that there will be no PSTN interconnection. But I have accepted the Director General's advice that applicants may propose how interconnection would be used on their service, if permitted, and the Government may decide on the basis of these proposals to allow a limited degree of PSTN interconnection.

By no means all the demand for new private mobile services requires a nationwide system. In the interest of competition and to encourage smaller companies, I have decided to licence five smaller local networks of 20 channels in London and, to these as well, an invitation to apply for licences will be issued on 1 July and I have asked the Director General to consider these applications and to make recommendations. Copies of the notes for guidance for applicants can be obtained from OFTEL. In addition, my Department will on 1 July be inviting applications for licences to operate still smaller, local networks of five to 19 channels in the 10 areas of greatest demand for private mobile radio services (outside London) — Greater Manchester/Merseyside, Birmingham, Glasgow, Leeds/Bradford, Cardiff/Swansea, Aberdeen, the Nottingham area, Reading, the Northampton/Cambridge/Bedford area and the Tyne/Tees area. The timing of the decisions on the applications will be the same as for those for the nationwide service. The same conditions in the interest of competition — the division of the roles of network operators and service providers and limitations on the involvement of public telecommunications operators and BT, in particular — shall apply to the smaller networks as to the nationwide service, limited PSTN interconnection will be permitted on these networks, subject to the operators meeting specified minimum loading criteria. Applications may be made by the same person in respect of more than one area, but for no more than one 20-channel system in London. Copies of notes for guidance for applicants can be obtained from the Radio Regulatory Division of my Department.

I have allocated frequencies in the middle sub-band of bands III to users who have been displaced from bands II and mid-band, and I have made a block of frequencies around 139/148 MHz available for the fuel and power industry. Displaced users in band III will be required to use equipment conforming to specification MPT 1323. My Department is currently preparing a new specification for mobile radio equipments—MPT 1326—which is similar to MPT 1323 but will apply to bands other than band III and which generally conforms to a European recommendation. It is desirable that the limits which apply to the common elements of these specifications are the same and therefore it will be necessary to make minor amendments to MPT 1323. This will be of advantage to the mobile radio industry and also to the fuel and power industry, who may either adopt the new specification or use the relevant parts of the modified band III specification.

Also in the middle sub-band of band III, I have decided to allocate frequencies to a number of other users. First, the United Kingdom is developing at around 900 MHz a digital cordless telephone system suitable for domestic and small business use. Many aspects of it could have application in the development of cordless PBXs for use in offices. I intend to make available for cordless PBX

systems five blocks each of 1 MHz, which cannot be used for a conventional radio system. Secondly, a study of the frequency requirements of the services ancilliary to broadcasting (such as radio microphones) has identified the need for six blocks of 0·7 MHz each in band III and I intend to allocate these for this purpose. Finally, the Government are considering the possibility of authorising the use of channels for two-way mobile data systems and I would welcome proposals.

The demands on the spectrum within band I, which was also released by the cessation of 405 line black and white TV services on 6 January of this year, have not yet emerged to as firm or as full an extent that we are able to settle the whole future of the bands. Moreover, my Department has only recently been able to begin discussions with neighbouring administrations about the use of the band.

Accordingly, I have decided to allocate only a limited number of frequencies to new band I users at this stage. First, as with band III, the study of the frequency requirements of the services ancillary to broadcasting has identified a need for 4 MHz and two other allocations of 0·35 MHz each in band I and I intend to allocate these for this purpose. Secondly, I am conscious that the interim Merriman report recommended that the radio amateur service should be given an allocation on the band and I am therefore proposing to fulfil that recommendation by allocating the band 50-50·50 MHz to radio amateurs. Thirdly, I intend to allocate 0·5 MHz within the band to satisfy the demand for further spectrum for on-site paging services. Finally, I intend to allocate the band 49·82-49·90 MHz for the use of general low power devices which have minimal potential for causing interference, such as toys and telemetry equipment. It is the intention that such low powered devices would be permitted to operate with the minimum of restriction and my Department will consider how to achieve this. Other claims for usage of band I are also being considered, for instance discussions are being conducted with industry to make an allocation for long-range security and other alarms and the band will also have attractions for mobile radio services.

On wide-area paging, in the light of the Director General's advice I have decided that the growth in the demand for national wide-area paging services is such that one or two new services should be introduced at 153 MHz and one or two more at 454 MHz. An invitation to apply by the beginning of October for licences to operate such services will be issued on 1 July and I have asked the Director General to consider these applications and to make recommendations by the end of the year. Copies of the notes for guidance for applicants can be obtained from OFTEL.

BT is in a particularly dominant position in the United Kingdom wide-area paging market and it has been argued that the existing operators should be given more time to develop in competition with BT before further operators are introduced. However, I believe that the Director General is right in advising that the balance of interest lies in allowing new competitors to BT to apply for licences for the new services. Such is BT's current market strength that it will not be among those allowed to apply, but its existing competitors will be eligible to apply.

Voice transmission as well as tone and data transmission, can be used at 454 MHz. Although it is more expensive in spectrum, I have decided that the nature of the demand is a more important consideration and that applicants for licences should be allowed to propose the use of frequency at 454MHz for voice transmission.

Finally, I have decided to make available spectrum, also at 153 MHz and 454 MHz, for pilot wide-area paging systems to enable demand for new services to be tested.

The points which the Director has made in his advice about licensing private paging systems as this becomes practicable and the relative utility of spectrum at 153 MHz to new and existing users have been accepted. On his suggestion that spectrum be made available at 900 MHz for paging services, I have to say that at present the potential conflict with other users seems to rule out such a move, though the position might change at a later date. In view of the uncertainty, I have decided not to invite applications at this frequency.

Competition and Retailing (Report)

Mr. Brandon-Bravo asked the Secretary of State for Trade and Industry if he will make a statement on the report of the Director-General of Fair Trading on competition and retailing.

Mr. Fletcher: The Director-General's report was published today, 28 June 1985. The purpose of the study was to update certain statistical information in the 1981 Report of the Monopolies and Mergers Commission "Discounts to Retailers" as a basis for considering whether the MMC's findings were still valid in the present circumstances of the retail trade. The study was undertaken against the background of continuing concern among food manufacturers and small retailers about the effects of discounts on their businesses.

The MMC report examined the practice of charging some retailers lower prices than others, or providing special benefits to some retailers, where the difference could not be attributed to savings in the suppliers' costs. This practice is variously described as "discriminatory discounting" or "non cost related discounting". The MMC found that the practice had not, in general, operated against the public interest; rather the practice had been part and parcel of development which had been beneficial to competition and to the consumer. The Director-General's Report concludes that on the basis of the information collected there does not appear to be any material change in the factors which led the MMC to reach that finding.

The Director-General's report analyses recent developments in grocery retailing; financial statistics related to food manufacturing and retailing, including data on profitability; and information on manufacturers' trading terms and retailers' gross margins. It also reviews overseas legislation on price discrimination. On the basis of this data, the report concludes that, while there has been some further increase in concentration in grocery retailing since the MMC's report, competition in this sector remains very strong; and in general lower buying prices are being passed on to the benefit of consumers. The study found no evidence to suggest that the degree of price discrimination had increased since the MMC reported.

I welcome the Director-General's report. It confirms that substantial changes in the pattern of retailing in this country have taken place and continue to occur. These changes, which result from a number of deep-seated economic and social forces, have had (and will continue to have) wide repercussions, for retailers, the supplying

industries and the consumer. Overseas experience suggests that Government intervention to prevent or mitigate these changes is unlikely to be effective, and would give rise to considerable problems of enforcement. Having regard to the present strength of competition in the sector and the benefits this is bringing to the consumer, I do not believe that such intervention would be justified. I will however be willing to review the position again if further developments give grounds for concern. In addition the Director-General has confirmed his continuing willingness to look into any allegations of anti-competitive behaviour or abuse of buying power under the competition legislation for which he is responsible.

Copies of the report have been placed in the Library.

EMPLOYMENT

Woolwich Jobcentre (Access)

Mr. Cartwright asked the Secretary of State for Employment whether the report from the Property Services Agency on the possibility of providing access for wheelchair users to the Woolwich jobcentre has now been received; and when a decision is likely to be announced.

Mr. Alan Clark: The Property Services Agency has completed its feasibility study of access by wheelchair users to the Woolwich jobcentre. In the light of the study further inquiries are being made of the landlord, the local authority and the fire and safety officer. A decision will be made as soon as the Manpower Services Commission has considered the study together with the results of its further inquiries.

Labour Statistics

Mr. Baldry asked the Secretary of State for Employment what is the number of unemployed people placed by the employment service in *(a)* 1979, *(b)* 1980, *(c)* 1981, *(d)* 1982, *(e)* 1983 and *(f)* 1984, respectively.

Mr. Alan Clark: Information is not available in the form requested. The following table shows the total numbers of placings made by jobcentres in Great Britain in the operational years 1979-80 to 1984-85. The numbers of these placings which were of unemployed persons are also shown for 1979-80, 1980-81 and 1981-82. These figures are not available for subsequent years.

Placing by jobcentres—Great Britain

Operational year	*Total Placings*	*Unemployed jobseekers placed*
1979-80	1,903,564	1,682,790
1980-81	1,534,405	1,379,074
1981-82	1,468,525	1,345,769
1982-83	1,550,494	—
1983-84	1,786,371	—
1984-85	1,977,626	—

Unemployment Benefit Recipients

Mr. Baldry asked the Secretary of State for Employment how many people in receipt of unemployment benefit were referred by the employment service to an insurance officer for either refusing suitable employment or neglecting to avail themselves of opportunities of work in 1979, 1980, 1981, 1982, 1983 and 1984, respectively.

Mr. Alan Clark: Information is not available in the form requested. The number of unemployment benefit claimants referred to the independent adjudication authorities from all sources (that is, the employment service, careers offices, DHSS, employers) for either refusing suitable employment or neglecting to avail themselves of opportunities of work, (Social Security Act, 1975 Part IIS20(1)) were:

	Number
1979	12,051
1980	15,083
1981	10,134
1982	6,711
1983	5,805

Figures are not currently available for 1984.

Youth Training Scheme

Mr. Hancock asked the Secretary of State for Employment if he will list the number of *(a)* fatal, *(b)* major and *(c)* minor accidents on the youth training scheme from 30 September to 30 May, showing the average number of persons in training in each month during that period and and the total number of entrants to the scheme in those three months.

Mr. Peter Morrison: I shall reply to the hon. Member as soon as possible.

Job-splitting Scheme (Portsmouth)

Mr. Hancock asked the Secretary of State for Employment how many job splits have been achieved under the job-splitting scheme in the Portsmouth area; and how these figures compare with his Department's original expectations.

Mr. Alan Clark: No estimates of the likely use of the scheme have been made on an area basis. Take-up overall has been disappointing but changes were made to the scheme from 1 April 1985 for instance, employers can now qualify for the £840 grant for providing two new part-time jobs for those leaving the youth training scheme, the community programme or certain other of our schemes. Many employers already recognise the value of flexible working arrangements and the improved job splitting scheme can help them realise the benefits.

Retail Prices Index

Mrs. Sally Oppenheim asked the Secretary of State for Employment what was the increase in the retail price index in both percentage and absolute terms during *(a)* the period 1974 to 1979 and *(b)* the period 1979 to 1985 at the most recent date.

Mr. Alan Clark: The information is as follows:

Retail Prices Index
January 1974—100·0
January 1979—207·2
May 1985—375·6

percentage changes:
January 1974—January 1979—107·2 per cent.
January 1979—May 1985—81·3 per cent.

THE ARTS

Arts Council (Funds)

Mr. Tony Banks asked the Parliamentary Under-Secretary of State answering in respect of the Arts if he will give a breakdown of his calculations of 1983-84 Arts spending by the Greater London council and the metropolitan county councils upon which he based the extra funds to be made available to the Arts Council in 1986-87.

Mr. Waldegrave: From the information then available to us, and which I supplied to the hon. Member in reply to his question on 24 October 1983 at columns *27-28*, the total budget estimates for the performing arts, film and museums in 1983-84 by the GLC and the six metropolitan county councils were £31,843,000 broken down as follows:

1983-84 £000's (Budget estimates)

	Revenue	*Capital*
Greater Manchester	2,393	566
Merseyside	5,298	*
South Yorkshire	153	70
Tyne and Wear	2,732	231
West Midlands	532	*
West Yorkshire	216	40
Greater London	18,315	1,297

* Not known.

After adjusting for prospective future revenue and capital expenditure on certain major projects then in course of development, and for inflation, the total estimates were equivalent to about £38 million in 1986-87 terms. Some £4 million of this represented provision for essentially local activities for which the successor borough and district councils could reasonably be expected to take responsibility. Of the announced £34 million additional central funding, £16 million is allocated to the Arts Council for the performing arts, £17 million is for museums and £1 million for film.

NATIONAL FINANCE

Taxation and Rates

Mr. Straw asked the Chancellor of the Exchequer if he will publish estimates of *(a)* value added tax, *(b)* domestic rates, and *(c)* other indirect taxes, paid by those on (i) 75 per cent., (ii) 100 per cent. and (iii) 150 per cent. of average earnings in 1985-86 and each of the previous seven years; and if he will state the level of average earnings in each year.

Mr. Moore: I shall let the hon. Member have a reply as soon as possible.

European Communities (Finance) Bill

Mr. Tracey asked the Chancellor of the Exchequer if he will make notes on clauses for the European Communities (Finance) Bill available to hon. Members.

Mr. Ian Stewart: Yes, a note was placed in the Vote Office yesterday.

ENVIRONMENT

Council House Sales

Mr. Gerald Bowden asked the Secretary of State for the Environment what information he has as to when Mr. and Mrs. E. Long of 99 Red Post Hill may expect to receive the draft legal documents from Southwark council in respect of their application to purchase their home.

Sir George Young: I understand that Mr. and Mrs. Long's right to buy application was delayed principally by Southwark council's failure to produce a standard form of transfer for leasehold houses. My information is, however, that a standard form of transfer has now been prepared and is being despatched with other legal documentation to applicants. I expect Mr. and Mrs. Long to receive legal documentation by the end of June and for completion to take place within a month thereafter. I regret the delays caused by Southwark council.

Civil Defence (Water Authorities)

Mr. Tony Banks asked the Secretary of State for the Environment what representations he has received from water authorities on their progress towards drawing up civil defence plans; and if he will publish them in the *Official Report*.

Mr. Gow: I shall answer this question shortly.

Land Use Planning

Mr. Tony Banks asked the Secretary of State for the Environment how often and by what means he intends to update strategic guidance on land use planning.

Mr. Patrick Jenkin: The strategic guidance will be revised as and when necessary by the means that we have described in the debates on the Local Government Bill.

Central Lancashire Development Corporation

Mr. Dover asked the Secretary of State for the Environment what arrangement he is making to permit the disposal to housing associations of the housing owned by Central Lancashire development corporation; and what changes to cash limits he proposes to make in consequence.

Mr. Gow: Agreement has been reached between the North British housing association, other housing associations, and the Central Lancashire development corporation for the housing associations to acquire the housing of the development corporation. To permit this acquisition, the approved development programme of the Housing Corporation (and the cash block DOE/HC1) will be increased by £86·8 million. To balance this, cash block DOE/NT1 will be reduced by the same amount, which will be covered by the capital receipts from the housing associations. The two cash blocks will be revised as follows:

Cash Block	*Present Limit*	*£ million Revised Limit*	*Increase/ Decrease*
DOE/NT1	−14·45	−101·25	−86·8
DOE/HC1	605·00	691·80	86·8

No net change in public expenditure is involved in these cash limit adjustments.

Home Loan Scheme

Mr. Powley asked the Secretary of State for the Environment if he will increase the house price limits for the home loan scheme.

Mr. Gow: My right hon. Friends the Secretaries of State for Scotland, for Wales and for the Environment have reviewed the limits in order to ensure that at least two-thirds of first-time buyers in Scotland, Wales and the English regions will continue to qualify for the benefits of the scheme, provided they fulfil the savings conditions. The new limits reflect recent movements in house prices in each region. An order is being laid today to bring these new limits into effect from 20 July 1985.*

The new limits, compared with the present limits are as follows:

Area in which the property is situated	*Homeloan benefits available for homes costing up to*	
	New Limits £	*Present Limits* £
ENGLAND		
Northern region: counties of Cleveland, Cumbria, Durham, Northumberland and Tyne and Wear	21,500	20,100
Yorkshire and Humberside region: counties of Humberside, North Yorkshire, South Yorkshire and West Yorkshire	20,400	19,200
East Midlands region: counties of Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire	22,100	20,400
East Anglia region: counties of Cambridgeshire, Norfolk and Suffolk	26,000	23,700
South East region:		
London: County of Greater London	38,000	33,100
Rest of South East: counties of Bedfordshire, Berkshire, Buckinghamshire, East Sussex, Essex, Hampshire, Hertfordshire, Isle of Wight, Kent, Oxfordshie, Surrey and West Sussex	33,500	29,400
South West region: counties of Avon, Cornwall, Devon, Dorset, Gloucestershire, Somerset and Wiltshire; and the Isles of Scilly	28,200	25,700
West Midlands region: counties of Hereford and Worcester, Shropshire, Staffordshire, Warwickshire and West Midlands	21,900	20,700
North West region: counties of Cheshire, Greater Manchester, Lancashire and Merseyside	21,700	20,200
WALES	22,700	21,300
SCOTLAND	26,000	23,700

* Statutory Instrument 1985 No. 937: The Home Purchase Assistance (Price Limits) Order 1985.

Rate-capped Local Authorities

Mr. Watson asked the Secretary of State for the Environment whether he intends to enter into negotiations with any of the rate-capped local authorities.

Mr. Patrick Jenkin [*pursuant to his reply*, 14 March 1985, c. *219-20*]: I was advised that the following payments should not be made to rating authorities until they had fixed their rates: rate rebate subsidy; grants towards rate relief for disabled persons and institutions; compensation to local authorities for loss of rate income in enterprise zones; and contributions in lieu of rates on Crown and diplomatic properties. As required by law and longstanding practice such payments are now being made to all authorities, including Liverpool, which have made a rate.

DEFENCE

155 mm Nuclear Shell

Mr. Boyes asked the Secretary of State for Defence if he plans to have discussions with other North Atlantic Treaty Organisation Defence Ministers about the implications for the North Atlantic Treaty Organisation of the plans of the United States Government to fit the new 155 mm nuclear shell with an enhanced radiation module.

Mr. Stanley: I cannot at present add to the final communiqué of the NATO nuclear planning group meeting on 26-27 March 1985, a copy of which is in the Library.

"Statement on the Defence Estimates 1985"

Mr. Canavan asked the Secretary of State for Defence what representations he has received following the recent publication of the "Statement on the Defence Estimates 1985".

Mr. Stanley: The Government have received a number of letters, parliamentary questions and other observations on the "Statement on the Defence Estimates 1985", including those contained in the first and third reports from the Defence Committee.

RAF Airfields (Noise)

Mr. Latham asked the Secretary of State for Defence what progress is being made in his review of compensation for increased noise experienced by residents living near Royal Air Force airfields; and whether he will make a statement.

Mr. Lee: The review is nearing completion. My noble Friend, the Under-Secretary of State for the Armed Forces will be considering the outcome in due course.

Polaris Transporter (Helensburgh)

Mr. Strang asked the Secretary of State for Defence if he will make a statement on the incident involving a Polaris transporter on the afternoon of Thursday 20 June on Sinclair Street, Helensburgh.

Mr. Stanley: The incident to which the hon. Member refers was a minor motor traffic accident involving two vehicles in a military convoy. For security reasons, it is not our practice to comment on the composition or load of military convoys.

Exercise Brave Defender

Mr. Tony Banks asked the Secretary of State for Defence (1) whether any of the key sites to be guarded during Exercise Brave Defender are in the Greater London area; and if he will make a statement;

(2) what land in the Greater London area, other than military land, is to be used during Exercise Brave Defender; and if he will make a statement.

Mr. Stanley: I refer the hon. Member to the reply given by my right hon. Friend to my hon. Friend the Member for Newark (Mr. Alexander) on 21 March, at columns 585-86. We do not intend to publish the list of exercise locations in advance of the exercise, as this could be prejudicial to the training value of the exercise and to exercise security.

TRANSPORT

Central Safety Barriers

Dr. Marek asked the Secretary of State for Transport if he will outline the programme for central safety barriers on motorways and dual carriageways over the next five years.

Mrs. Chalker: Central reserve safety fences will be installed on all new motorways (expected length approximately 180 miles). Details of the motorway programme are given in the "National Roads England 1985" report (published 20 June) copies of which have been placed in the Library. Central reserve safety fences will be provided on new, all-purpose, dual carriageway trunk roads where the annual average daily traffic flow is expected to exceed 30,000 vehicles in the year of opening.

Details of predicted traffic flows on new all purpose dual carriageways are updated regularly. Thus information on the provision of safety fences for these roads is based on changing estimates and cannot be obtained repeatedly without incurring disproportionate costs. I can assure the hon. Member that safety fences will be provided on dual trunk roads whenever justified.

Cyclists (Accidents)

Mr. Patrick Thompson asked the Secretary of State for Transport if he will give statistics for the nature of injuries to cyclists resulting from accidents involving motor cars during 1984.

Mrs. Chalker: The nature of injuries sustained by road casualties is not collected by my Department. However, the following information is available:

Pedal cyclist injuries in two-party accidens with motor cars: 1982-84: Great Britain

	Fatal	*Serious*	*Slight*	*Total*
1982	132	3,460	16,058	19,650
1983	170	3,898	17,937	22,005
1984*	154	4.018	17,749	21,921

*Provisional.

Definitions of the severity of injury can be found in "Road Accidents Great Britain 1983", a copy of which is in the Library.

Roads

Mrs. Dunwoody asked the Secretary of State for Transport what policy criteria he uses to determine the relative priorities in expenditure on the roads programme of *(a)* new road building, *(b)* motorway repair and *(c)* trunk road bypasses; and if he will make a statement.

Mr. Ridley: Our policy criteria for spending on roads remain as set out in successive White Papers and roads reports. Within the total funds available for the national programme new road schemes, including bypasses, bring substantial new economic and environmental benefits and remain a top priority, balance by the need to preserve the investment already made by carrying out timely renewal and repair work. New construction will continue to account for most of the spending on national roads, but we also intend to eliminate the backlog of necessary motorway repair work that arose in the 1970s.

Bypasses

Mrs. Dunwoody asked the Secretary of State for Transport if he will list the number of bypasses built on trunk road schemes in each of the last 10 years, giving the annual expenditure by his Department on such schemes.

Mr. Ridley: The information requested is as follows:

	Number of by-passes (including Relief Roads) completed	*Expenditure* £m (cash)*
1975-76	23	107
1976-77	16	104
1977-78	11	71
1978-79	9	57
1979-80	7	70
1980-81	4	93
1981-82	7	106
1982-83	11	92
1983-84	7	73
1984-85	10	112

* These figures show total annual expenditure on the national road by-pass programme.

In 1975-76 the 130 bypass schemes in the programme amounted to 26 per cent. of the forward national programme. This year the 170 schemes amount to 50 per cent.

Mrs. Dunwoody asked the Secretary of State for Transport if he will list the number of bypass approvals to trunk roads agreed by his Department in each of the last 10 years.

Mr. Ridley: The number of bypasses, including relief roads, added to the national road construction programme in England is as follows:

	Number
1976-77	17
1977-78	—
1978-79	10
1979-80	—
1980-81	8
1981-82	15
1982-83	13
1983-84	15
1984-85	5
1985-86	*25

* To date.

Other schemes in the programme, including M25, also have a bypassing effect, while many schemes relieve more than one community of through traffic.

Mrs. Dunwoody asked the Secretary of State for Transport how many towns on trunk roads in the United Kingdom do not have bypasses; and what was the equivalent number in 1979.

Mr. Ridley: In May 1979 there were 503 town and village communities on national roads in England that did not have a bypass. That figure now stands at 391 communities, for which schemes to bypass 280 are already included in my forward construction programme. Responsibility for national roads elsewhere in the United Kingdom rests with my right hon. Friends.

A20 (Dover-Folkestone)

Mrs. Dunwoody asked the Secretary of State for Transport what information he has as to the annual through-put of traffic along the Dover-Folkestone section of the A20, distinguishing between cars, light vans, and heavy goods vehicles; and how many accidents have occurred on this section of road in each of the last 10 years, listing both fatal and severe injuries separately.

Mr. Ridley: The annual traffic through-put in 1983 on the A20 between Folkestone and Dover was as follows (thousands of vehicles):

	000's
Cars and Taxis	3,100
Light Goods Vehicles	290
Heavy Goods Vehicles	550

Accident data for this section of road are as follows:

Accidents on the Folkestone—Dover Stretch of the A20

	Severity of Accident			
	Fatal	*Serious*	*Slight*	*Total*
1980	0	12	34	46
1981	1	8	21	30
1982	1	9	28	38
1983	2	5	30	37
1984	1	12	29	42

Casualties on the Folkstone Dover stretch of the A20

	Severity of Injury			
	Fatal	*Serious*	*Slight*	*Total*
1980	0	12	52	64
1981	1	9	32	42
1982	1	10	40	51
1983	3	6	43	52
1984	1	18	39	58

The provision of accident data for earlier years would be disproportionately expensive.

Cyclists

Mrs. Dunwoody asked the Secretary of State for Transport what is his policy towards the incorporation in roundabout schemes of cycle routes with sight lines; and what is his policy towards the use of kerbs to divide cycle paths from pedestrian walkways.

Mr. Ridley: I continue to look for suitable solutions whenever the question of cycle routes arises in roundabout schemes.

Advice on kerbs to divide cycle tracks from pedestrian ways is contained in "Local Transport Note 1/78 Ways of Helping Cyclists in Built-up Areas". A copy of this has been deposited in the Library.

Mrs. Dunwoody asked the Secretary of State for Transport what consideration he will give to facilities for cyclists and pedestrians in assessing the outcome of the public inquiry into the Crooked Billet roundabout, Walthamstow.

Mr. Ridley: The inspector conducting the inquiry will report on the proposed cycling and pedestrian facilities, as he will on other relevant issues. In conjunction with my right hon. Friend the Secretary of State for the Environment I shall fully consider all aspects of his report when I receive it.

A38 (Safety Barriers)

Mr. Steen asked the Secretary of State for Transport when he proposes to start work on the A38 safety barriers between Plympton and Bittaford, and between Syon Abbey and Dean Prior.

Mrs. Chalker: Work will start as soon as possible, but of course we now have to make the necessary contract arrangement so I cannot for the moment give a firm date.

Boeing 747 (Tests)

Mr. Speed asked the Secretary of State for Transport when the evacuation tests required by the Civil Aviation Authority for British Airways Boeing 747s following the elimination of the mid-fuselage escape doors took place; and what were the precise test conditions.

Mr. Ridley: The CAA tell me that when the Boeing 747 was first granted a certificate of airworthiness with 10 main emergency exits, it met the requirements that a full load of 550 passengers could be evacuated in not more than 90 seconds using only half the total number of exits. The blocked overwing exits displayed lower exit rates than the other emergency exits in the test. The aircraft with currently approved United Kingdom layouts of up to 440 seats allows for the increase in capacity following the blocking of the two overwing exits, and therefore also meets the requirements. The CAA thus has no regulatory basis for requiring another evacuation test.

HOME DEPARTMENT

Drugs Offences

Mr. Alton asked the Secretary of State for the Home Department what were the total number of charges brought for *(a)* possession, *(b)* dealing and *(c)* import of (i) class A drugs, (ii) class B drugs and (iii) class C drugs in the Metropolitan and Merseyside police districts in the last year for which figures are available.

Mr. Mellor: The available information is given in the following table.

Charges brought and proceeded with at court in 1983 for unlawful supply, possession or unlawful importation of controlled drugs in the Metropolitan and Merseyside Police force areas*

Number of charges

	Class A drugs	*Class B drugs*	*Class C drugs*	*†All controlled drugs*
Metropolitan police district				
Unlawful supply	302	301	—	581
Possession with intent to supply unlawfully	253	508	9	606
Unlawful possession	1,717	8,753	29	9,569
Unlawful import	45	53	—	93
Merseyside				
Unlawful supply	24	51	—	53
Possession with intent to supply unlawfully	28	39	3	44
Unlawful possession	153	463	3	521
Unlawful import	4	3	—	6

* As one charge may involve more than one class of drug columns cannot be added together to produce totals.
† Includes a small number of charges where details of the drug involved were not available.

Police National Computer

Mr. Cohen asked the Secretary of State for the Home Department (1) if he will take steps to permit individuals to have access to their own records on the police national computer in order to seek to correct errors; what arrangements are currently operating to correct errors; and if he will make a statement;

(2) if he will describe the audit and logging procedures currently employed with the names indexes of the police national computer; and whether in cases of abuse these procedures would identify the officer who performed the check and the number of requests made by that officer.

Mr. Giles Shaw: Under the provisions of the Data Protection Act 1984, individuals will have access to data on the police national computer which relates to them, subject to the condition that grant of access will not prejudice the prevention or the detection of crime, or the apprehension and prosecution of offenders. The Act also provides for the retification and erasure of inaccurate data.

At present, data input to the PNC is checked automatically by the computer system, as well as by the operators who enter the data and by those who prepare the data for entry. In addition, each police force has designated an assistant chief constable to audit twice yearly on a sample basis the records on the wanted, missing, suspected and found persons file which relate to his force.

All PNC transactions are recorded centrally on magnetic tape by the PNC. These records indicate the time of the transaction as well as the terminal from which it originated. In addition, each force is instructed by the Department to log all PNC transactions in such a way as to enable each transaction to be associated with both the terminal operator and the officer who initiated the inquiry.

Mr. Cohen asked the Secretary of State for the Home Department what arrangements there are to remove spent data from the police national computer; how many people are employed to undertake this work; whether such work comprises all or part of their duties; and if he will make a statement.

Mr. Giles Shaw: The information held on the police national computer is weeded continuously not only by the staff of the national identification bureau but also by individual forces and by the PNC itself. Given the nature of the information held on the various indices of the PNC, most of the weeding is done by forces as part of their normal day to day crime prevention and detection activity and the only way of determining the total amount of effort devoted specifically to this task would be by means of a manpower utilisation survey which could be mounted only at disproportionate cost.

Mr. Cohen asked the Secretary of State for the Home Department which constabularies have or intend to have an interface with the police national computer; and if he will indicate the nature of the linkage.

Mr. Giles Shaw: The following forces have or intend to have an interface with the Police National Computer to permit the force to have direct access to the PNC from terminals connected to the force's own computer system:

Bedford
Cambridge
Cleveland
Cumbria
Durham
Fife
Grampian
Humberside
Lincolnshire
Merseyside
Metropolitan
Northamptonshire
North Yorkshire
Nottingham
South Wales
Staffordshire
Suffolk
Sussex
Warwickshire
West Mercia
West Midlands
Wiltshire
Avon and Somerset
Cheshire
Essex
Hertfordshire
Kent
Northumbria
Scottish Criminal Record Office which is intended in turn to be interfaced with all forces in Scotland
South Yorkshire

Mr. Cohen asked the Secretary of State for the Home Department if he will state the percentage of checks to the names indexes of the police national computer that do not return a name because that name is absent from the indexes.

Mr. Giles Shaw: The table sets out for two recent days (1) the percentage of checks on particular PNC names indices which elicted a "no trace" response and (2) the percentage of checks on two or three of these indices simultaneously which elicted a "no trace" response.

Index Checked	*Percentage of "No Traces"*	
	11 June	14 June
(1) Criminal Names	38·3	37·9
(2) Wanted, Missing Suspected and Found Persons	56·9	58·6
(3) Disqualified Drivers	36·5	21·4

Index Checked	*Percentage of "No Traces"*	
Indices (1) and (2)	24·5	25·9
Indices (1), (2) and (3)		
Total Checks	28·0	27·6

It would be possible only at disproportionate cost to indentify separately those cases where an inquiry directed at two or three names indices simultaneously elicted a "no trace" response in repect of one or two of these indices.

Mr. Cohen asked the Secretary of State for the Home Department (1) what arrangements are made to seek to ensure that the names of people not convicted of an offence are not included in the criminal names index of the police national computer; and if he will make a statement;

(2) whether any individual arrested by the police has been entered on the criminal names index of the police national computer along with the alleged offence concerned prior to either charges not being proceeded with or the person being acquitted of the offence in court; and if he will make a statement;

(3) what are the criteria for who *(a)* is recorded upon the criminal names index of the police national computer, *(b)* is kept on the index and *(c)* is removed from the index; and if he will make a statement.

Mr. Giles Shaw: Only staff of the national identification bureau may enter records in the criminal names index of the police national computer. A person's name is entered onto the criminal names index if, and only if, the national identification bureau has been notified that the individual concerned has been charged with, or reported for, a recordable offence. If the individual is subsequently acquitted of the offence, and if there is no record of his having been convicted of any previous recordable offence, his name is deleted from the index. Exceptions may apply in relation to offences under section 27(3) of the Theft Act 1968 and section 6(3) of the Sexual Offences Act 1956 where the individual has pleaded his statutory defence and in cases of continuing interest such as where a person is bound over when the charge has been dismissed.

Records on the criminal names index are regularly weeded by the national identification bureau in accordance with the following criteria.

A. *Data subjects over 70 years of age:* records are weeded if the following conditions are met:
   (i) the subject has not been hard of in the last 10 years (ie no new information has been added to the microfiche record in that period);
   (ii) the subject was neither convicted of murder nor was a murder victim; and
   (iii) the record is not of special interest.

B. *Data subjects between 40 and 70 years of age:* records are weeded if the following conditions are met:
   (i) the subject has not been heard of in the last 20 years;
   (ii) there is only one conviction on the NIB record (minor offences are disregarded), no subsequent breach of probation and no outstanding proceedings;
   (iii) the aggregate sentence for the conviction did not exceed 6 months imprisonment (including suspended sentences);
   (iv) there is no record of any mental illness;
   (v) there is no record of any sexual offence or indecency;
   (vi) the subject was neither convicted of murder nor was a murder victim; and
   (vii) the record is not of special interest.

C. *Data subjects under 40 years of age:* records are weeded if all the conditions at B are met *and* the data subject was under the age of 14 at the time of conviction.

Notes:

(1) "Special interest" refers to notable criminals or to crimes which the police consider to be of special significance or of national historical interest. Such records and all those involving murder are retained idenfinitely.

(2) Records are weeded 18 months after a police force has reported the subject as having died, unless they are of special interest or involve murder.

Mr. Cohen asked the Secretary of State for the Home Department what rules apply for access to the information contained in the police national computer indexes to avoid such information going to unauthorised persons and companies; whether there are any limitations upon which police officers may obtain access; and if he will make a statement.

Mr. Giles Shaw: Rules about access to information contained on the police national computer are set out in the "Code of Practice for the Protection of Personal Data Held on the Police National Computer", a copy of which is in the Library.

Mr. Cohen asked the Secretary of State for the Home Department how many individuals are on the criminal names index of the police national computer whose offences are time-expired so far as any reference to them in any subsequent court appearance is concerned; and if he will make a statement.

Mr. Giles Shaw: This information is not readily available and could be obtained only at disproportionate cost.

Mr. Cohen asked the Secretary of State for the Home Department when it is proposed that all miners pickets' cars will be removed from the seen or checked entry by the police in noteworthy circumstances category of the police national computer; and if he will make a statement.

Mr. Giles Shaw: No miners' cars are currently the subject of record on the police national computer by virtue of having been used in connection with picketing in an industrial dispute.

Privately Owned Swimming Pools

Mr. Stephen Ross asked the Secretary of State for the Home Department when he expects to implement in full the recommendations of the working party which reviewed the safety precautions prevailing at privately owned swimming pools open to the public.

Mr. Giles Shaw: As indicated by the then Home Secretary my right hon. Friend Viscount Whitelaw in his reply to a question from my hon. Friend the Member for Romford (Mr. Neubert) on 27 July 1979, it had then been decided that no further action should be taken on the recommendations of the working party on water safety that had reported two years previously. This remains the position.

Police Practice (Scarman Report)

Mr. Alton asked the Secretary of State for the Home Department what representations he has had on the effect of changes in police practice following the Scarman report.

Mr. Giles Shaw: Following the 1981 riots and the Scarman report changes have been introduced in police

training, recruitment, community relations, consultative procedures, and public order tactics and equipment. It is not possible to summarise the representations received on such a wide range of matters: if the hon. Member has a particular point in mind I would be glad to consider it.

Indian Sub-continent (Visitors)

Mr. Proctor asked the Secretary of State for the Home Department how many visitors were admitted into the United Kingdom from India, Pakistan, Bangladesh and Sri Lanka in 1984; how many of those left; and if he will make a statement.

Mr. Waddington: The numbers admitted as visitors were published in table 1 of the annual Command Paper "Control of Immigration: Statistics, United Kingdom 1984", Cmnd. 9544. Corresponding information on embarkation is not available.

Police (Manchester)

Mr. Favell asked the Secretary of State for the Home Department by how much the total manpower available to the Greater Manchester police force has increased since May 1979; how much of the increase relates to police officers; and how many are civilian support staff.

Mr. Giles Shaw: On 31 May 1985 there were 6,714 police officers and 1,803 civilian staff in the Greater Manchester police, an increase in total manpower since May 1979, of 520 (274 police officers, and 246 civilian staff, 51 of them part-time).

Rubens Hotel, London (Bomb)

Mr. John David Taylor asked the Secretary of State for the Home Department what information he has as to the origin of the explosive material in the bomb found at the Rubens hotel, London, on 23 June; and if he will make a statement.

Mr. Brittan: The bomb is still being examined by forensic experts. The origin of the explosive material it contains has not yet been established.

Terrorism

Sir John Biggs-Davison asked the Secretary of State for the Home Department whether he will make a statement about the latest discussions with European and other Ministers concerning international measures against terrorism.

Mr. Brittan: I attended a meeting of Ministers of Justice of the Council of Europe in Edinburgh on 14 June. At that meeting, the Committee of Ministers was requested to set up a body to be

"open to all Ministers who, in their respective Council of Europe Governments, are responsible for combating terrorism"

in order to carry out "concrete and relentless action" against terrorism. It is intended that this body will meet later in the year. I have had a number of bilateral meetings with individual European Ministers, most recently with the French and Italian Ministers of the Interior, and have established a joint Italian-United Kingdom working party to improve co-operation between our two countries. I attended the Trevi meeting in Rome on 21 June where I and other Ministers re-affirmed our determination to combat terrorism and resolved to hold Ministerial meetings more frequently in the future.

Crime and Unemployment

Mr. Ron Brown asked the Secretary of State for the Home Department what studies have been made into the correlation between crime and unemployment; and if he will make a statement.

Mr. Mellor: An article reviewing studies on the relationship between unemployment and crime was published in the Home Office research and planning unit research bulletin Number 14, 1982. The evidence from correlational studies is mixed and inconclusive. The Department has no plans to carry out further studies on this topic at present.

Racial Harassment (Newham)

Mr. Tony Banks asked the Secretary of State for the Home Department if any special measures have been taken to counter racial harassment in the London borough of Newham.

Mr. Giles Shaw: The Commissioner of Police of the Metropolis shares our very great concern about racial harassment and has identified the handling of racial incidents, which include racial harassment, as a priority for police activity within the Metropolitan police area.

An analysis of racial incidents in 1984 in Newham revealed that 70 per cent. of incidents occurred in or near the victim's home. In consequence new reporting and investigating procedures were introduced in "K" district which involve home beat officers operating under close supervision by Inspectors and follow up visits made to victims by the police community liaison officer. In cases where the police have identified problems which require more detailed analysis they seek co-operation from other agencies in the community.

The police are actively seeking greater co-operation with local community leaders and the development of better understanding between the police and the community at large and particularly with the young. I understand that the police are discussing with the borough council the making of consultative arrangements under the Police and Criminal Evidence Act, within the guidelines my right hon. and learned Friend issued last January.

Mr. Tony Banks asked the Secretary of State for the Home Department (1) if he will list the police detection and clear-up rates for racial harassment in the London borough of Newham for the years *(a)* 1983, *(b)* 1984 and *(c)* 1985;

(2) if he will list the police detection rates *(a)* for burglary in the home, *(b)* for robbery, *(c)* for auto theft and *(d)* for racial harassment on the London borough of Newham for each of the last five years.

Mr. Mellor: I understand from the Commissioner of Police of the Metropolis that the information requested relating to burglary in a dwelling, robbery and the theft of motor vehicles for the years 1981-84 is as given in the table; corresponding figures for 1980 are not readily available. Clear-up rates for recorded offences do not distinguish racial from non-racial incidents.

*Offences of burglary in a dwelling, robbery and theft or unauthorised taking of a motor vehicle recorded by the police in the London Borough of Newham which were cleared up**

	1981	1982	1983	1984
Number of offences cleared up				
Burglary in a dwelling	256	286	210	257
Robbery	71	61	47	77
Theft or unauthorised taking of motor vehicle	24	17	15	16
Percentage cleared up				
Burglary in a dwelling	10	8	6	7
Robbery	24	17	15	16
Theft or unauthorised taking of motor vehicle	10	12	10	10

* Offences cleared up in one year may include offences initially recorded in previous years.

Mr. Tony Banks asked the Secretary of State for the Home Department what was the total amount *(a)* invoiced for and *(b)* received by the Metropolitan police for police services from (i) sporting events, excluding football, (ii) private companies, (iii) nationalised industries and (iv) ceremonial events for each of the past three complete financial years.

Mr. Giles Shaw [*pursuant to his reply*, 15 May 1985, c. *125*]: The Commissioner of Police of the Metropolis tells me that the information requested is as follows:

Amounts invoiced for and received to date (31 May 1985) by the Metropolitan Police for police services, by financial year

	1982-83		1983-84		1984-85	
	Invoiced £	Received £	Invoiced £	Received £	Invoiced £	Received £
(a) sporting events and leisure activities*	337,569	332,078	488,490	487,056	420,178	419,858
(b) other private companies	11,312	11,092	17,282	16,488	21,079	19,133
(c) nationalised industries	9,804,989	9,804,989	10,732,389	10,732,389	11,175,125	11,175,125

* excludes football matches other than those at Wembley Stadium.

Police services in categories *(a)* and *(b)* are provided and paid for in accordance with section 15 of the Police Act 1964. The only nationalised industry which the Metropolitan Police invoiced for police services was the British Airports Authority, in accordance with section 26 of Aviation Security Act 1982.

The policing of ceremonial events constitutes a normal police function, the cost of which generally falls to be met from the Metropolitan Police Fund. But in accordance with section 15 of the Police Act 1964, the Roman Catholic Church was invoiced for and paid for Metropolitan police services provided on private premises during the papal visit in May 1982.

Metropolitan Police

Mr. Tony Banks asked the Secretary of State for the Home Department what was the total amount received by the Metropolitan police in each of the past five years for policing services other than from statutory funding sources.

Mr. Giles Shaw [*pursuant to his reply*, 15 May 1985, c. *125*]: The Commissioner of Police of the Metropolis tells me that the total amount received by the Metropolitan police for police services, other than from direct Government grants and the precept, in each of the last five financial years, was as follows:

	£
1980-81	20,298,881·46
1981-82	17,207,215·33
1982-83	22,507,996·85
1983-84	30,023,224·20
1984-85	26,739,868·01

These figures relate to receipts from sporting events (including football matches), leisure activities, private companies, nationalised industries, Government departments and local authorities. Receipts for mutual aid provided to other police forces are excluded.

SOCIAL SERVICES

Funeral Expenses

Sir David Price asked the Secretary of State for Social Services how many death grants are paid in respect of funerals provided by local authorities or health authorities.

Mr. Whitney: No statistics are kept on the categories of people to whom death grants are paid, and information on the number of funerals provided by local authorities and health authorities is not held centrally.

Health Services (North-West)

Mr. Favell asked the Secretary of State for Social Services what has been the increase in cash terms and in real terms in the amount of money available to health services in the north-west region between 1978-79 and 1983-84.

Mr. Kenneth Clarke: Revenue spending on health services in north-western region increased by 101·1 per cent. in cash terms between 1978-79 and 1983-84, representing an increase in real terms of 18·1 per cent. after taking account of general inflation as measured by the gross domestic product deflator.

Board and Lodging

Mr. Chris Smith asked the Secretary of State for Social Services whether travel warrants are being made available by his Department's local offices to enable claimants of board and lodging allowance under the age

of 26 years to move away from the current place of residence after the four or eight week period allowed under regulations has expired; and if he will make a statement.

Mr. Whitney: The circumstances in which single payments of supplementary benefit can be made for travelling expenses of unemployed boarders aged 25 or under are set out in paragraph 122 of Circular S13/85, a copy of which is in the Library.

Mr. Allan Roberts asked the Secretary of State for Social Services (1) what are the latest available figures for the number of claimants excluded from boarder status under Regulations 9(14) of the Supplementary Benefit (Requirements) Regulations 1983 since, in the opinion of the benefit officer, they were on holiday; and if he will give this information for Great Britain as a whole, for England, Wales and Scotland, and for each Department of Health and Social Services region;

(2) what information he has as to the number of landlords of ordinary board and lodging establishments, excluding registered hostels, who catered exclusively for supplementary benefit claimants at the time when he laid the Supplementary Benefit (Requirements and Resources) Miscellaneous Provisions Regulations 1985 before the House; and if he will break down the information for Great Britain as a whole, for England, Wales and Scotland, and for each Department of Health and Social Services region;

(3) what information he has as to the number of landlords of ordinary board and lodging establishments, excluding registered hostels, who charged higher weekly rates for claimants of supplementary benefit than for people not claiming supplementary benefit at the time when he laid the Supplementary Benefit (Requirements and Resources) Miscellaneous Provisions Regulations 1985 before the House; and if he will give this information for Great Britain as a whole, for England, Wales and Scotland, and for each Department of Health and Social Services region;

(4) what information he can provide concerning the number of landlords of ordinary board and lodging establishments, excluding registered hostels, who set their charges solely by reference to the local supplementary benefit upper limits at the time when he laid the Supplementary Benefit (Requirements and Resources) Miscellaneous Provisions Regulations 1985 before the House; and if he will give this information for Great Britain as a whole, for England, Wales and Scotland, and for each of his Department's regions.

Mr. Whitney: Information in the form requested is not collected centrally and could be obtained only at disproportionate cost.

Specialist Claims Control

Mr. Ron Brown asked the Secretary of State for Social Services when special claims control staff will next visit Leith; and if he will make a statement regarding information gathered from previous investigations into alleged fraud in the area.

Mr. Whitney: A specialist claims control exercise started in the local office at Edinburgh, North, which covers Leith, on 24 June. Two previous exercises have been conducted in that office during which benefit was adjusted in 46 of the 133 cases examined.

Vaccine Damage Payments

Mr. Ashley asked the Secretary of State for Social Services if he has any plans to pay a further £10,000 to all those who have received a payment under the Vaccine Damage Payments Act 1979; and if he will make a statement.

Mr. Newton: As the right hon. Member is aware, a Government amendment has now been added to the current Social Security Bill to enable us to raise the figure of £10,000 contained in the Vaccine Damage Payments Act 1979. Subject to the enactment of the Bill as amended, we shall place an order before the House as soon as possible with details of our proposals; but we have no plans to make extra payments of the kind the right hon. Member suggests.

Mr. Ashley asked the Secretary of State for Social Services how many people received awards under the Vaccine Damage Payments Act 1979 in each of the last three years.

Mr. Newton: The information is as follows:

Year	*Awards*
1982	43
1983	42
1984	29

Health Education Council

Mr. Wareing asked the Secretary of State for Social Services (1) what steps he takes to ensure that the membership of the Health Education Council is representative of regional interests in health education; and if he will make a statement;

(2) if he will make a statement on the criteria by which individuals are selected for membership of the Health Education Council.

Mr. John Patten: Members of the Health Education Council are appointed because of the expertise and personal qualities which they can bring to the council's work. In making appointments to the council, Ministers aim to achieve a reasonable geographical spread of membership, but members are not appointed as representatives of specific interests.

Health Authorities (Competitive Tendering)

Mr. Dobson asked the Secretary of State for Social Services how many staff in his Department are responsible for communicating with health authorities on competitive tendering programmes.

Mr. Kenneth Clarke: Most of our work on such programmes is undertaken by a unit of four staff but some 50 other staff may be involved in such communications from time to time.

Nurses

Mr. Campbell asked the Secretary of State for Social Services what are the average working hours of a student nurse according to each of the three stages of training; if he will provide a breakdown of all hours worked, including refreshment times; and how this compares with each of the last 10 years.

Mr. Kenneth Clarke: We do not have the information requested readily available. Student nurses in each year of training have standard contracted hours of 37½ per week exclusive of meal times, in common with all grades of nursing staff. We reduced the contracted hours from 40 per week in 1980-81.

Mr. Meadowcroft asked the Secretary of State for Social Services whether any nurse whose retirement date is between 1 April 1985 and 31 January 1986 will receive a pension calculated on the basis of 1984-85 salary plus the 5 per cent. award made in the first stage of the recent pay award; and if he will make a statement.

Mr. Kenneth Clarke: Yes. As my right hon. Friend the Prime Minister explained in her reply to my hon. Friend the Member for Mid-Worcestershire (Mr. Forth) on 6 June at columns *194-96*, it is our practice to base pensions on the salaries actually in payment at or in the period before the date of retirement.

Mr. Meadowcroft asked the Secretary of State for Social Services if he will give the numbers of nurses who are expected to take retirement in the financial year 1985-86; and of those, how many are expected to take retirement: *(a)* before 1 February 1986 and *(b)* after 1 February 1986.

Mr. Kenneth Clarke: We do not have centrally the precise information requested but from past experience we estimate that about 4,200 nurses in England and Wales will retire in the financial year 1985-86.

Mr. Meadowcroft asked the Secretary of State for Social Services what is the pension which a nurse on the maximum of her scale could expect to receive for each of the following grades: auxiliary, staff nurse, sister II and district nurse.

Mr. Kenneth Clarke: Retirement benefits under the National Health Service superannuation scheme depend on length of service, superannuable earnings in the most beneficial of the last three years of service and a variety of other relevant factors which can be precisely determined only in relation to individual circumstances.

Medical Equipment (Development)

Mr. Kennedy asked the Secretary of State for Social Services whether his Department intends to provide a share of the funding required for the purposes of the development in co-operation with Gaelt Research Ltd. of Ross-shire of a disposable medical pressure transducer sensor; and if he will make a statement.

Mr. John Patten: Yes. The Department has agreed to share the development costs for one year in the first instance. Funding for a further year will be agreed if progress in the first year is satisfactory.

Departmental Records

Mr. Tony Banks asked the Secretary of State for Social Services how information is recorded in his Department's offices regarding those people in receipt of *(a)* death grant, *(b)* maternity allowance, *(c)* special diet supplement and *(d)* special laundry supplement.

Mr. Whitney: Information on claims to social security benefits is recorded on claim forms. Statistics for the benefits in question are produced as follows:

Death Grant — Local offices produce four-weekly returns of claims. Statistics of awards are produced quarterly using a national sample.

Maternity Allowance — Local offices produce four-weekly returns of claims. Statistics of claims (quarterly) and awards and claims (annual) are produced using a national sample.

Special Diet Supplement; Special Laundry Supplement — No local statistics are produced. Centrally available information on these and other additional requirements is derived from the Supplementary Benefits Annual Statistical Enquiry. This is a sample survey of claimants receiving regular weekly payments of benefit at a particular point in time.

Mr. Tony Banks asked the Secretary of State for Social Services why it is not possible to produce figures for those people in receipt of state earnings-related pensions at his Department's offices in Canning Town, Plaistow and Woodgrange Park.

Mr. Whitney: The information held centrally includes details of the pensioner's local office but this information is not accessed for normal statistical purposes. A special computer run, which would involve searching over 9 million records, would entail disproportionate cost.

Orthopaedic Treatment

Mr. Hickmet asked the Secretary of State for Social Services if he will make a statement on the incidence of hip replacement operations carried out within National Health Service hospitals both privately and on the National Health Service over each of the last three years.

Mr. Kenneth Clarke [*pursuant to his reply*, 17 June 1985, c. *54*]: The available information is:

NHS hospitals, England—Estimated number of hip replacement operations

Year	*NHS patients*	*Private patients*	*Total*
1981	32,410	2,370	34,780
1982*	32,170	1,560	33,730
1983 (provisional)	35,800	1,520	37,320

* Surgical activity in 1982 was generally affected by industrial action in the NHS.

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PARLIAMENTARY DEBATES

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SCOPE OF THE INDEX, ARRANGEMENT AND ABBREVIATIONS

This index is derived from the House of Commons Library's Parliamentary On-Line Information System (POLIS), and the subject terms used are based on those used in POLIS. There are often changes in column numbering, etc., between the daily part or weekly Hansard (which simply collects together the daily parts without revision) and the bound volume. The index for the bound volume is revised to take account of these changes.

Scope and arrangement of the Index

Oral and Written Parliamentary Questions are indexed under subject headings and the names of Members asking and Ministers replying to them. Questions are not listed under the names of Departments replying. Departmental listings can be arrived at indirectly by looking under the names of the Minister(s) of that Department. There will, however, be headings 'Northern Ireland', 'Scotland', and 'Wales' under which one will find not only most Questions answered by the Northern Ireland Office, Scottish Office, Welsh Office but also Questions about these areas of the United Kingdom which are answered by other Departments. Ministerial statements are indexed under subject headings, under 'Ministerial statements' and the names of Ministers making them and Members speaking on them. General debates are indexed under broad subject headings and under the names of all Members and Ministers taking part. Debates on legislation (Bills, Orders, Regulations etc.) are indexed under the name of the Bill, Statutory Instrument etc., under subject headings and under the names of those taking part.

Rulings and Statements by Mr. Speaker and his deputies are brought together under the heading Speakers rulings and statements.

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Members' names are given in the form by which they prefer to be known and are printed in bold italics. Under their names, entries are arranged under one of the two headings *Debates etc.* (to include interventions on statements, points of order and so on) or *Questions*.

Abbreviations

Bills 1R=first reading, 2R=second reading, Money res=money resolution, Com=Committee stage, Rep=Report stage, 3R=third reading, amendt/amendts=amendment/amendments, *=matter taken formally, without debate.

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